

88164

Congressional Record.

PROCEEDINGS AND DEBATES OF THE SIXTY-SEVENTH CONGRESS SECOND SESSION.

SENATE.

WEDNESDAY, June 14, 1922.

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m. on the expiration of the recess.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overbue, its enrolling clerk, announced that the House had agreed to the amendments of the Senate to the joint resolution (H. J. Res. 127) to reerect the statue of Abraham Lincoln upon its original site.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills and joint resolutions, and they were thereupon signed by the Vice President:

- S. 2664. An act for the relief of Jesse Goodin;
- S. 2666. An act for the relief of Ed Thomas and Pauline Thomas;
- H. R. 6313. An act authorizing the Secretary of Commerce to grant a right of way for a public highway to the county of Skagit, Wash.;
- H. R. 7052. An act for the relief of G. C. Caldwell;
- H. R. 9859. An act making appropriations for the Post Office Department for the fiscal year ending June 30, 1923, and for other purposes;
- H. R. 11265. An act to authorize the maintenance of a bridge constructed across the Pend Oreille River at the town of Usk, in the State of Washington;
- H. R. 11407. An act to amend an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920;
- H. R. 11646. An act authorizing the construction of a bridge across the Ohio River near Steubenville, Ohio;
- S. J. Res. 7. Joint resolution authorizing the Secretary of the Treasury to designate depositaries of public moneys in foreign countries and in the Territories and insular possessions of the United States;
- S. J. Res. 204. Joint resolution to authorize the loan by the Secretary of War to the commander in chief of the United Confederate Veterans of cots for the use of the members of the United Confederate Veterans during the sessions of the national encampment of the United Confederate Veterans at Richmond, Va., from June 19 to 22, 1922; and
- H. J. Res. 127. Joint resolution to reerect the statue of Abraham Lincoln upon its original site.

REINTERMENT OF SOLDIER DEAD.

The VICE PRESIDENT laid before the Senate a communication from the Quartermaster General of the Army, transmitting a list of American soldier dead returned from overseas to be reinterred in the Arlington National Cemetery, Thursday, June 15, 1922, which was ordered to lie on the table for the information of Senators.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT laid before the Senate resolutions adopted by the board of directors of the Social Hygiene Society, the Social Hygiene Council, the executive board of the League of Women Voters, and the College Women's Club, all of the District of Columbia, protesting against the selection of a site at Blue Plains for the location of an institution for the feeble-minded and suggesting that some other site having the advantage of being sufficiently isolated and extensive be chosen rather than Blue Plains, which were referred to the Committee on the District of Columbia.

Mr. CAPPER presented petitions of sundry citizens of Kansas City, Kans., praying for the enactment of legislation creat-

ing a department of education, which were referred to the Committee on Education and Labor.

Mr. LENROOT presented the memorial of Mrs. M. E. Rotier, corresponding secretary Wisconsin Federation of Women's Clubs, of Milwaukee, Wis., remonstrating against the food, tableware, and women's-wear schedules in the pending tariff bill, which was referred to the Committee on Finance.

PROPOSED DUTY ON CASEIN.

Mr. WALSH of Massachusetts. Mr. President, I ask unanimous consent to have inserted in the RECORD and have referred to the Committee on Finance a communication from the American Paper & Pulp Association protesting against the tariff duty fixed on casein, and also a communication from the Robert Gair Co. protesting against the same duty and indicating the effect that duty will have on the paper trade. The American Paper & Pulp Association assert that the duty in the pending bill means a direct increase in cost of about \$1,000,000 a year to the consumers of coated paper.

There being no objection, the communications were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

AMERICAN PAPER PULP ASSOCIATION,
New York, June 7, 1922.

Senator DAVID I. WALSH,
Senate Office Building, Washington, D. C.

DEAR SENATOR WALSH: The proposed tariff of 4 cents per pound, H. R. 7456, Schedule 1, paragraph 17a, on casein means a direct increase in cost of about \$1,000,000 a year to the American consumers of coated paper, if, in fact, the coated paper industry can continue to exist if its main source of supply of this indispensable material is so taxed as to divert two-thirds of the total supply to European competitors.

It is only a matter of such tremendous importance to an industry representing a capital investment of \$75,000,000 that leads this committee of five, authorized representatives of the entire coated-paper industry of the United States to trespass on your courtesy at a time when so many other matters are demanding your attention.

In view of the importance of this question to both the consumer and the producer of coated paper, we are inclosing for your careful consideration a copy of the brief which has been filed with the Committee on Finance of the United States Senate.

We hope you can see from this presentation of the facts that it is proper to cast your vote against this proposed duty.

Yours very truly,

MARTIN CANTINE, Chairman,
CHARLES A. GORDON,
CHARLES F. SHIRLEY,
WALTER D. RANDALL,
HUGH P. BAKER,

Committee of Coated Paper Manufacturers.

NEW YORK, June 10, 1922.

Hon. D. I. WALSH,
Senate of the United States, Washington, D. C.

MY DEAR SENATOR:

(H. R. 7456.) Schedule 1, paragraph 17a. Casein or lactarene, 4 cents per pound.

The amendment referred to above was adopted by the Committee of the Whole on May 23, 1922, and purports to fix a duty of 4 cents per pound on imported casein.

Casein is a dairy by-product, indispensable to the surfacing of paper. Coated papers, for the manufacture of which casein is the principal medium, are extensively used in educational books, periodicals, and scientific, also commercial catalogues wherein photographs are reproduced by a printing process. In both aesthetic and practical printing or lithography clay-coated paper produced with the assistance of casein is the only surface upon which full justice to the workman's skill and art treatment can be preserved. And upon box boards, of which folding cartons are manufactured for the protection and identification of all forms of foods and necessities, it is extensively used to impart a cleanly printing surface.

The quantity of casein produced in the United States is insufficient. The domestic output is considerably less than the domestic need, and this shortage is made up by importations from Holland and the inferior substance from the Argentine. Four cents per pound added to the import price will encourage an advance in the American market for domestic casein, and as there is no industry to protect the proposed tariff will be retroactive upon the adopted policy of the country to abate high prices and bring costs down. This 4 cents per pound on casein will prompt and stimulate higher prices for a raw necessity,

which is not abundant enough to supply the demand and which will fall directly upon the box board and paper industries, as it is there that 90 per cent of all domestic and imported casein is consumed.

Since this tariff is, to our minds, opposed to the common interests of the country and is altogether unjust to the industries mentioned, we ask for your close consideration of the amendment quoted above and protection against its adoption.

Yours very truly,

ROBERT GAIR Co.,
GEO. W. GAIR, President.

REPORTS OF COMMITTEES.

Mr. BURSUM, from the Committee on Pensions, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 3275. A bill granting pensions and increase of pensions to certain soldiers and sailors of the Civil and Mexican Wars and to certain widows, former widows, minor children, and helpless children of said soldiers and sailors, and to widows of the War of 1812 (Rept. No. 770); and

H. R. 8569. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors (Rept. No. 771).

Mr. RAWSON, from the Committee on Military Affairs, to which was referred the bill (H. R. 6966) to authorize the President of the United States to appoint Fred H. Gallup, major of Field Artillery in the United States Army, reported it without amendment and submitted a report (No. 772) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CURTIS:

A bill (S. 3707) for the relief of Hazel E. Simms (with accompanying papers); to the Committee on Finance.

By Mr. SUTHERLAND:

A bill (S. 3708) granting a pension to James J. Holland; to the Committee on Pensions.

By Mr. BURSUM:

A bill (S. 3709) to provide for an examination and report on the condition and feasibility of a reclamation project at Hope, Eddy County, N. Mex.; to the Committee on Irrigation and Reclamation.

CIVILIAN INSTRUCTORS AT NAVAL ACADEMY.

Mr. POMERENE. Mr. President, I understand it is the intention of the majority side to take up the naval appropriation bill to-morrow. As Senators know, I have on one or two occasions referred to the instructors at the Naval Academy who have been taken from civil life. The other day I had a conference with Admiral Wilson, the Superintendent of the Naval Academy. It was an informal exchange of views, and I asked him to reduce to writing any statement which he desired to make. I have his letter before me. I shall not take the time of the Senate to have it read, but I think it may be of interest to Senators in view of the expectation that the naval appropriation bill will be taken up for consideration to-morrow. I therefore ask that it may be incorporated in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES NAVAL ACADEMY,
Annapolis, Md., 10 June, 1923.

MY DEAR SENATOR POMERENE: Referring to our conversation of last Wednesday (7 June, 1922), in which you asked me to comment on your remarks in the Senate as published in the CONGRESSIONAL RECORD of 2 June, 1922, I am pleased to note that you take an intense interest in the proper training of the midshipmen, and you state that the methods of instruction in the two service academies should be equal to those which prevail in the great universities of the country. I can assure you that we are in accord as to this, and it is our aim at the Naval Academy to do everything we can to maintain high standards in methods of instruction, and because of your interest in this matter I am taking it for granted that you would like to be informed a little more fully of the steps being taken to accomplish this purpose.

There has been in some quarters a misunderstanding of my attitude toward civilian instructors at the Naval Academy. What I advocate is not elimination of civilian instructors from the Naval Academy but simply a return to the status which existed before the World War. You will appreciate that war demands made inroads on the officers detailed to the Naval Academy. At the same time the more instructors were needed because the number of midshipmen was more than doubled. This caused somewhat of an upheaval in the teaching staff. Large numbers of civilian instructors were employed in lieu of officers not then obtainable, due to the needs of the service afloat. Having in view an economic administration of the Naval Academy combined with efficiency, a careful investigation has convinced me that it is to the best interests of the Government that the ratio of civilian instructors to naval officers be reduced to what it was before the war. The official Board of Visitors, appointed by the President, Vice President, and Speaker of the House of Representatives, in their report of 27 April, 1922, also recommended as follows:

"It is the opinion of the board that the ratio of civilian instructors to officer instructors should be that existing prior to the war. In arriving at this conclusion the board recognizes the great value of civilian instructors, particularly as a means of keeping the curriculum

modern and in harmony with the growth of educational thought. It is highly important, however, that midshipmen be brought in contact early in the course with officers who have seen real service. Such teachers bring an inspiration that is most important, and close personal contact with experienced officers throughout the course is, in the opinion of the board, most essential. Officer instructors, however, should be carefully selected. All men can not teach successfully, and the officer instructors should be selected as much for teaching fitness as for other qualities."

The value of civilian instructors at the Naval Academy is keenly appreciated. It is most important to have the advice and assistance of expert teachers in mathematics, English, modern languages, physics, chemistry, and electricity, but what we need at present is quality rather than quantity. At the same time I do not wish to work undue hardship on civilian instructors, and therefore reductions will be made step by step. As the classes get smaller there will be reductions in the teaching staff, both civilians and officers, until the Naval Academy is once more on its normal peace-time footing.

In the history of the Naval Academy from the date of its foundation the ratio of civilian instructors to officer instructors has varied from one extreme to the other. As a result of these years of experience, the ratio that existed before the war was finally settled upon as giving best results.

Long experience has demonstrated that many naval officers make excellent teachers. The work of a naval officer afloat involves study to keep up with advances in naval science. An officer's life work is essentially leadership of men with the consequent necessity for continuous instruction and teaching of subordinates in handling men, operation of guns and machinery, and numerous drills. Consequently all naval officers are to a degree students and teachers. Of course, some are better than others. This applies both to civilian teachers and to officers. The civilian teacher may be a more finished scholar, but, on the other hand, the naval officer has an advantage in that midshipmen listen carefully to what he tells them, because they know that his teaching is backed by experience with ships and men. What we are striving for is the best possible combination of high-grade civilian teachers and high-grade officer teachers working together in a spirit of cooperation.

The "Hearings before Subcommittee of House Committee on Appropriations" on "Navy Department appropriation bill, 1913," pages 610, 611, 612, 613, and 614, contains statements made by me in more detail.

Thanking you for your kind consideration,
Very sincerely,

HENRY B. WILSON,
Rear Admiral, United States Navy, Superintendent.
Hon. ATLEE POMERENE,
United States Senate, Washington, D. C.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. PHIPPS obtained the floor.

Mr. McCUMBER. Mr. President, will the Senator yield just long enough for me to state that when the consideration of the pending bill is resumed I shall ask the Senate to proceed with paragraph 408, shingles.

Mr. JONES of Washington. Mr. President. I ask that that paragraph may go over until any time the chairman desires next week. On account of arrangements made heretofore I was not expecting it to come up to-day and have made no preparation for it. I shall be engaged in a conference on the Army appropriation bill this afternoon and probably to-morrow. So, if it will not discommode the Senator too much, I hope that the paragraph may go over until any time he may desire next week.

Mr. McCUMBER. I think we can accommodate the Senator. I will ask, therefore, that the paragraph 408 may be passed over.

The VICE PRESIDENT. The paragraph will be passed over.

DISTRICT OF COLUMBIA APPROPRIATIONS.

Mr. PHIPPS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the amendment of the House to the amendment of the Senate numbered 1 to House bill 10101, the District of Columbia appropriation bill.

There being no objection, the Senate proceeded to consider the amendment of the House to the amendment of the Senate No. 1 to the bill (H. R. 10101) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District, for the fiscal year ending June 30, 1923, and for other purposes, which had been reported from the Committee on Appropriations with an amendment.

Mr. UNDERWOOD. Mr. President, I had no objection to taking up the matter, but as there may be Senators who are not present who wish to be informed on the question, I suggest the absence of a quorum that absent Senators may be here.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Calder	Culberson	Edge
Borah	Cameron	Curtis	Ernst
Brandegee	Capper	Dial	Fernald
Broussard	Caraway	Dillingham	Gerry

Hale	McCumber	Pepper	Swanson
Harrell	McKinley	Phipps	Underwood
Harris	McNary	Poinsett	Wadsworth
Harrison	Nelson	Ransdell	Walsh, Mass.
Johnson	Newberry	Rawson	Walsh, Mont.
Jones, Wash.	Nicholson	Sheppard	Watson, Ind.
Kellogg	Norbeck	Simmons	Williams
Kendrick	Norris	Smoot	Willis
Ladd	Oddie	Spencer	
Keyes	Overman	Sterling	
McCormick	Owen	Sutherland	

Mr. CURTIS. I wish to announce that the senior Senator from Wyoming [Mr. WARREN] is absent on account of illness in his family.

Mr. UNDERWOOD. I desire to announce that the junior Senator from Alabama [Mr. HEFLIN] is necessarily absent; that the senior Senator from Florida [Mr. FLETCHER] is absent on account of illness; and that the senior Senator from Nevada [Mr. PITTMAN] is absent on official business.

Mr. HARRIS. My colleague [Mr. WATSON of Georgia] is detained by illness.

The PRESIDING OFFICER (Mr. JOHNSON in the chair). Fifty-seven Senators have answered to their names. There is a quorum present.

Mr. PHIPPS. The District of Columbia appropriation bill, House bill 10101, has received the approval of both Houses, with the exception of the first amendment of the Senate, the fiscal feature of the bill, which was amended by the House, and the House amendment was referred to the Committee on Appropriations. I was authorized by that committee to report it back with a slight amendment, which will be found on page 3 of the amendment adopted by the House, and which is to insert, after the word "discretion," in line 10 of the House text:

To any rate not in excess of the rate imposed upon real estate.

It is simply a matter of precaution to have the language put in such form that it can not be misunderstood or misconstrued. I ask that the amendment may be approved.

The PRESIDING OFFICER. The Secretary will report the amendment of the House to the amendment of the Senate No. 1.

The reading clerk proceeded to read the amendment of the House, and read to line 14, page 2, as follows:

That annually from and after July 1, 1922, 60 per cent of such expenses of the District of Columbia as Congress may appropriate for shall be paid out of the revenues of the District of Columbia derived from taxation and privileges, and the remaining 40 per cent by the United States, excepting such items of expense as Congress may direct shall be paid on another basis; and that in order that the District of Columbia may be able annually to comply with the provisions hereof, and also in order that the said District may be put upon a cash basis as to payment of expenses, there hereby is levied for each of the fiscal years ending June 30, 1923, 1924, 1925, 1926, and 1927, a tax at such rate on the full value, and no less, of all real estate and tangible personal property subject to taxation in the District of Columbia as will, when added to the revenues derived from privileges and from the tax on franchises, corporations, and public utilities, as fixed by law, and also from the tax, which hereby is levied, on such intangible personal property as is subject to taxation in the District of Columbia, at the rate of five-tenths of 1 per cent on the full market value thereof, produce money enough to pay such annual expenses as may be imposed on the District of Columbia by Congress, and in addition to such annual expenses a surplus fund sufficient to enable the District of Columbia to get upon a cash-paying basis by the end of the fiscal year 1927.

Mr. PHIPPS. Mr. President, at this point I wish to say that it was desired by various civic organizations of the District that their comments and their objections to the proposed changes be heard, and the conferees have been in touch with those organizations through their accredited representatives. They have strongly urged that the provision for the change in tax-paying dates proposed in the bill introduced by the Senator from Washington [Mr. JONES], Senate bill 3565, and which has had the approval of the Committee on the District of Columbia, be incorporated in this amendment. The language follows, and I ask the Secretary to read the proposed amendment to the House amendment.

The READING CLERK. Following the numerals "1927," in line 14, it is proposed to insert the following:

and that beginning with July 1, 1922, and annually thereafter, one-half of the tax levied upon taxable real property in the District of Columbia shall become due and payable on the 1st day of November of each year and the other half of such tax shall become due and payable on the 1st day of May of each year; and if one-half of such tax shall not be paid before the 1st day of December of each year, said installment shall thereupon be in arrears and delinquent; and there shall then be added, to be collected with such tax, a penalty of 1 per cent upon the amount thereof, and a like penalty on the 1st day of each succeeding month until payment of said installment and penalty; and if said installment shall not be paid before the 1st day of June of each year, together with the one-half of said original tax due on the 1st day of May, a like penalty beginning with the 1st day of June shall then be added on said last one-half of such tax; and the whole together shall constitute the delinquent tax, to be dealt with and collected in the manner now provided by law; and that hereafter the board of personal tax appeals, consisting of the assessor, as chairman ex officio, together with the three members of the board of real estate assessors and the three mem-

bers of the board of personal tax appraisers, shall constitute the board of personal tax appeals, which shall convene on the first Monday in January and remain in session until the second Monday in February of each year for the hearing of appeals from assessments on personal property; and the same members shall also constitute the board of equalization and review of real estate assessments.

Mr. PHIPPS. Mr. President, if it is in order, I move that the amendment to the amendment be agreed to.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Colorado to the House amendment.

The amendment to the amendment was agreed to.

The reading of the House amendment was continued to line 10, page 3.

The amendment of the Committee on Appropriations was, on page 3, line 10, after the word "discretion," to insert "to any rate not in excess of the rate imposed upon real estate," so as to read, after line 14, page 2:

and that the Commissioners of the District of Columbia hereby are empowered and directed to ascertain, determine, and fix such rate of taxation as will, when applied to the aforesaid property in accordance with the levies and values hereinbefore mentioned, produce the said sums of money; and that until July 1, 1927, the Treasury Department may continue to make advancements toward the payment of the expenses of the District of Columbia as has been done during preceding years, but after June 30, 1927, it shall be unlawful for any money to be so advanced or for any money whatever to be paid out of the Treasury for District purposes, unless the District, at the time of such payment, has to its credit in the Treasury money enough to pay the full per cent required of it; and that for the purpose of defraying such expenses of the District of Columbia as Congress may from time to time appropriate for, there hereby is levied for each and every fiscal year succeeding that ending June 30, 1927, a tax at such rate on the aforesaid property subject to taxation in the District (the rate fixed herein on intangible personal property not to be made less but which may be increased by the commissioners in their discretion to any rate not in excess of the rate imposed upon real estate) as will, when added to the other taxes and revenues of the District, produce money enough to enable the District to pay promptly and in full all sums directed by Congress to be paid by the District, and for which appropriation has been duly made; and that the Commissioners of the District of Columbia hereby are empowered and directed to ascertain, determine, and fix annually such rate of taxation as will, when applied as aforesaid, produce the money needed to defray the share of the expenses of the District during the year for which the rate is fixed; and that the Commissioners of the District shall, in accordance with existing law, cause all such taxes and revenues to be promptly collected and, when collected, to be daily deposited in the Treasury to the credit of the District for the purposes herein set out; and that on July 1, 1922, the Treasury Department shall open, and thereafter accurately keep, an account showing all receipts and disbursements relative to the revenues and expenditures of the District of Columbia, and shall also show the sources of the revenue, the purpose of expenditure, and the appropriation under which the expenditure is made; and that from and after June 30, 1922, any and all revenue derived from property not owned wholly or in part by the District of Columbia, as between the United States and the District of Columbia, shall be the property of the United States; and that after June 30, 1922, where the United States is the owner of ground or the holder thereof in trust for the public, upon which improvements have been made at the joint expense of the United States and the District of Columbia, the revenues therefrom shall first be used to pay the United States 3 per cent of the full value of the ground as a ground rent, and the remainder shall be divided between them in the same proportion that each contributed to said improvements, and for such purposes the assessor for the District of Columbia shall fix the full value of the ground after he has first made oath that he will fairly and impartially appraise the same; and that after June 30, 1922, any revenue derived from any activity or source whatever, including motor-vehicle licenses, not otherwise herein disposed of, which activity or source of revenue is appropriated for by both the United States and the District of Columbia, shall be divided between the two in the same proportion that each has contributed thereto; and that if, for any fiscal year after June 30, 1927, the District of Columbia should raise and deposit in the Treasury to its credit, as herein provided, more money derived from taxation, privileges, and other sources authorized herein than may be necessary for the purposes herein set out, such excess shall be available the succeeding year, in the discretion of the commissioners, either for the purpose of meeting the expense chargeable to the District of Columbia and/or for the further purpose of enabling the commissioners to fix a lower rate of taxation for the year following the one in which said excess accrued than they might otherwise be able to do; and that after June 30, 1922, the agencies through which the District of Columbia collects its revenues derived from taxation shall also collect for the United States any revenues which by this act become the sole property of the United States, and said revenues shall be deposited in the Treasury of the United States as "Miscellaneous Receipts," but the revenues from the property known as Center Market shall not be so collected; and that hereafter the Commissioners of the District of Columbia shall not be restricted in submitting to the Bureau of the Budget their estimates of the needs of the District, but they shall, as near as may be, bring them within the probable aggregate of the fixed proportionate appropriations to be paid by the United States and the District of Columbia.

That all acts or parts of acts in conflict with any provision of this act are hereby repealed to the extent of such conflict but no further.

That in order to defray the expenses of the District of Columbia for the fiscal year ending June 30, 1922, 40 per cent of each of the following sums, except those herein directed to be paid otherwise, hereby is appropriated out of any money in the Treasury not otherwise appropriated, and all the remainder out of the combined revenues of the District of Columbia and the advances from the Federal Treasury herein permitted, namely:

The PRESIDING OFFICER. Without objection, the amendment of the Committee on Appropriations to the House amendment is agreed to.

The reading of the House amendment having been concluded,

Mr. PHIPPS. Mr. President, I understand the Senator from Mississippi [Mr. HARRISON] has an amendment which he desires to offer to the amendment.

Mr. HARRISON. I desire to offer an amendment to the amendment, to come in on page 4, line 5, after the word "made." I move to insert the provision which I send to the Secretary's desk.

The PRESIDING OFFICER. The amendment proposed by the Senator from Mississippi to the amendment will be stated.

The READING CLERK. On page 4, line 5, after the word "made," it is proposed to insert:

and that a joint committee of three Senators, to be appointed by the President of the Senate, and three Representatives, to be appointed by the Speaker of the House of Representatives, is hereby created and authorized and directed to ascertain and determine what, if any, indebtedness there may be owing to the United States from the District of Columbia, or what, if any, indebtedness there may be owing to the District of Columbia from the United States, growing out of transactions or relations existing between them since the passage of the organic act of 1878; and that said committee in reaching a conclusion shall consider not only legal but equitable claims and obligations and shall report its conclusions and recommendations to each House of Congress on or before the first Monday in January, 1923; and that said committee is authorized to send for persons and papers, to administer oaths, and to employ such stenographic, clerical, and expert assistance as may be necessary, and to pay for the same upon vouchers signed by the chairman, one-half out of the contingent fund of the Senate and one-half out of the contingent fund of the House of Representatives; and that said committee is authorized and directed to avail itself of the services of the Bureau of Efficiency and such expert and legal help of the Treasury Department and of the District of Columbia as it may deem practicable so to do.

Mr. HARRISON. Mr. President, I desire to say that the amendment to the amendment just read is the same as the joint resolution known as the Jones resolution, which has been adopted by the Senate and which has been favorably reported in the other House. It has not, however, yet been acted on by the House.

Mr. SMOOT. If this is a conference report, the amendment is not in order. If the item was in dispute and the action taken represents the agreement of the conferees of the two Houses, that is one matter; but if it is an amendment to a conference report, it is not in order at all.

Mr. HARRISON. The Senator from Utah will recall that a great many items which were in dispute have been adjusted, but this particular item was not embodied in the conference report, as it was thought a point of order would probably lie against it, but we are trying to adjust the whole matter and hoped that the whole controversy might be settled by the adoption of this amendment.

Mr. SMOOT. I am told that the action proposed represents an agreement between the conferees of the two Houses in reference to the subject; and that, of course, I think might be in order; but an amendment offered on the floor of the Senate to a conference report would not be in order.

Mr. JONES of Washington. Mr. President, that is not the situation. The situation is that the House of Representatives concurred in a Senate amendment with an amendment. It is that amendment of the House which is before the Senate, and to that amendment an amendment is now offered. The amendment before the Senate is not a part of the conference report.

Mr. SMOOT. Have the conferees on the part of the two Houses agreed to it?

Mr. JONES of Washington. No; it is not a part of the conference report. The House concurred in the Senate amendment with an amendment.

Mr. SMOOT. This, then, is not an amendment offered on the floor of the Senate?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Mississippi to the amendment.

The amendment to the amendment was agreed to.

Mr. PHIPPS. I believe that amendment numbered 1 as amended is now in form for adoption.

The PRESIDING OFFICER. The question is on agreeing to the House amendment as amended.

The amendment as amended was agreed to.

Mr. HARRISON. Mr. President, I desire to occupy but a moment to congratulate the conferees upon the part of the Senate on the very able and fair manner in which they have handled this whole question. I objected to the amendment as it came from the other House for the reason that I thought it included so many matters which were in dispute that it should go to a committee, and that there should be a hearing upon the part of the committee of those citizens in the District who might desire to be heard. The conferees, however, took another course. They have heard every citizen who desired to be heard; they have been fair, and have performed a splendid work. I am very glad the amendment has been agreed to, and I think it will be satisfactory to all concerned.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed a bill (H. R. 11827) granting the consent of Congress to the county courts of Howard and Saline Counties, in the State of Missouri, to construct a bridge across the Missouri River, in which it requested the concurrence of the Senate.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. Mr. President, I desire the attention of the Senator from Louisiana [Mr. BROUSSARD]. We took a recess on yesterday evening while that Senator was in the midst of his address. I desire to ask the Senator, if he wishes, to proceed now.

Mr. BROUSSARD. I am now prepared to proceed.

Mr. McCUMBER. Then I suggest that the Senator proceed now, and after he has concluded, then I shall ask to take up paragraph 302, relative to ferrotungsten alloys.

Mr. BROUSSARD. Mr. President, I desire to complete the argument which I began yesterday. At this stage I should like to ask the chairman of the committee whether or not the industrial alcohol manufacturers who use blackstrap molasses made a request that blackstrap molasses be placed on the free list?

Mr. McCUMBER. I think not. I am not certain, for I can not remember all the testimony; but, as I recall, the main request came from the agricultural users.

Mr. BROUSSARD. That was my understanding; that those who manufacture industrial alcohol have made no request that blackstrap molasses be put on the free list.

In order, Mr. President, to indicate the interest those engaged in the production of industrial alcohol have in having blackstrap molasses placed on the free list, I desire to set forth the amount of blackstrap molasses consumed by the industrial alcohol manufacturers of the United States, and in view of the fact that they did not oppose a duty on molasses, show how unfair and inequitable the result of the action of the committee will be to the manufacturers of blackstrap molasses in the United States. I shall now refer to a pamphlet published by Mr. Burnell R. Tunison, of the United States Industrial Alcohol Co., of New York City, on the subject of industrial alcohol. I may say that the pamphlet was published in 1920. On page 411 there is a table which I ask unanimous consent to have inserted in the RECORD in full.

The PRESIDING OFFICER (Mr. ODDIE in the chair). Without objection, it is so ordered.

The table referred to is as follows:

TABLE VIII.—Grain and other materials used for production of distilled spirits, year ended June 30, 1919, by States.

States.	Corn.	Rye.	Malt.	Other materials.	Molasses.	Dilute saccharine liquid.	Total.
	Bushels.	Bushels.	Bushels.	Bushels.	Gallons.	Gallons.	Bushels. Gallons.
California.....	988				11,714,888		988 11,714,888
District of Columbia.....	111,107		150,658	72,343	917,159		334,108 917,159
Illinois.....	2,752,509	4,259	268,324		12,868,046		3,025,092 12,868,046
Indiana.....	216,957	2,930	29,463	714			250,064
Kentucky.....	497,428	7,387	58,817		417,637		563,632 417,637
Louisiana.....			3	787	27,073,185	3,534,458	740 30,607,643
Maryland.....			129		21,289,577		129 21,289,577
Massachusetts (third district).....					7,564,766		7,564,766
Montana.....					154,041		154,041
New York.....	42,830	898	5,229		33,554,286		48,957 33,554,286

TABLE VIII.—Grain and other materials used for production of distilled spirits, year ended June 30, 1919, by States—Continued.

States.	Corn.	Rye.	Malt.	Other materials.	Molasses.	Dilute saccharine liquid.	Total.
	Bushels.	Bushels.	Bushels.	Bushels.	Gallons.	Gallons.	Bushels. Gallons.
Ohio.....	241,574		42,833				284,407 7,945,108
Pennsylvania.....					7,945,108		
South Carolina.....						6,206,877	894 6,206,877
Wisconsin.....	28,864	9,830	17,790	10,836			65,510
Total.....	3,800,347	25,304	537,246	85,024	123,498,603	9,801,335	4,574,521 133,300,028
Total for fiscal year 1918.....	14,544,545	248,864	1,689,677	172,039	118,027,960	68,527,242	16,665,125 186,555,202

Mr. BROUSSARD. Mr. President, I wish now to comment briefly on the table. As will be observed it shows, by States, the grain and other materials used in the production of distilled spirits for the year ended June 30, 1919. I shall only give the round numbers.

The table shows that of industrial alcohol made of molasses, California produced 11,000,000 gallons; the District of Columbia, 917,000 gallons; Illinois, 12,000,000 plus; Kentucky, 417,000 gallons plus; Louisiana, 27,000,000 gallons plus; Maryland, 21,000,000 gallons plus; Massachusetts, 7,000,000 gallons plus; Montana, 154,000 gallons plus; New York, 33,000,000 gallons plus; Pennsylvania, 7,900,000 gallons; making a total of blackstrap molasses consumed in the manufacture of industrial alcohol of 123,498,693 gallons.

Now, I wish to refer the Senate to a document published by the Agricultural Department, entitled "Production of Principal Feeds," referred to also as commercial feeds. On page 60 of that pamphlet there are given in detail for the year 1919 the total importations of blackstrap molasses. My idea in referring to that is to account for the difference between the number of gallons used for industrial alcohol and the total of the domestic production plus the importations. By the way, I am referring only to the cane blackstrap molasses and not to the beet blackstrap molasses; but my idea is to show and account for the difference between the cane blackstrap molasses converted into industrial alcohol and the total importations plus the domestic production, so as to show what the difference available for other purposes amounts to.

I find in this pamphlet, issued by the Agricultural Department, called "Commercial Feeds," on page 60, that in 1919 the importations from Porto Rico were 15,554,493 gallons; the importations from Hawaii were 9,882,567 gallons; the importations from Cuba were 110,244,781 gallons. I have added these importations, and they make a total of importations of 141,683,841 gallons.

Granting that all of the 16,000,000 gallons produced in the United States—and I may say that 99.9 per cent of it was produced in Louisiana, amounting to more than 16,000,000 gallons—may have been thrown into this class of imported blackstrap molasses, we get the following result: Adding the 16,000,000 to the total importations of 141,000,000 plus, we get a total of 157,638,411 gallons, which was the total available for all purposes in the United States; and deducting that used in the manufacture of alcohol from the total available blackstrap molasses we get a balance of 34,185,148 gallons used for feed and adulterants in the United States for the year 1919.

Mr. President, the question which I have just propounded to the chairman of the committee clearly demonstrates my object. The industrial alcohol people have never asked that blackstrap molasses be put on the free list. The industrial alcohol people have been satisfied with the present duty that is on blackstrap molasses. The industrial alcohol people have never protested against the Payne-Aldrich tariff rates on blackstrap molasses; and still, under these figures, Mr. President, we find that out of 157,683,841 gallons available for all purposes, the industrial alcohol people consume 123,498,693 gallons, and still they are not asking that blackstrap be put on the free list.

Mr. PHIPPS. Mr. President—

Mr. BROUSSARD. I yield to the Senator.

Mr. PHIPPS. I should like to ask the Senator if he has the figures showing the consumption of blackstrap molasses by the alfalfa feed mills?

Mr. BROUSSARD. I have that information and will give it presently.

Mr. PHIPPS. I should like to have it.

Mr. BROUSSARD. But here are documents that are authentic, that are backed with authority, that show that out of 157,683,841 gallons there was a little over 34,000,000 gallons used for all purposes outside of the manufacture of industrial alcohol, and still the people using nearly all the blackstrap

molasses and converting it into alcohol are not asking a reduction of the House rate. They never protested the rate which the people from my State have demanded of the Ways and Means Committee of the House. They never appeared there; and still a few people who believe that the price of feedstuffs to the dairyman and to the feeder might be increased have been fooled into that attitude—as I demonstrated yesterday and propose to go over again to-day—have been used as cat's-paws to destroy an industry which is competitive, and they are practicing fraud and deception by palming off this as Louisiana molasses after having filtered it, which is merely a physical process.

Not only that, Mr. President, but we find—and I have the facts here—that the people who have started this propaganda are the Penick & Ford Co. (Ltd.), which is owned and operated by the American Sugar Trust, and which has two objects in view. One is to profit by the reputation which we cane growers in Louisiana have built, and there is nobody on this floor but that remembers in his boyhood that he bought Louisiana molasses, and that was a product that was expensive to make, and these people want to have free blackstrap molasses to refine or to filter and then palm it off on the reputation which the domestic industry has established as Louisiana molasses. The other is—and that is the vital thing in which the Senator from Colorado is as vitally interested as the people of Louisiana—that these people are trying to destroy the domestic sugar industry, and wherever they can cut one-quarter of a cent of profit per gallon of by-product of molasses they revel in it.

I am surprised that any Senator representing any State that produces sugar and has a by-product to dispose of should ever espouse the cause of the enemy, who are trying to work both ways, using the dairyman against the domestic cane-sugar producer and using, on the other hand, the argument which they advance for the purpose of reducing a duty and then indirectly destroying the production of sugar in the United States.

I am absolutely solid on my foundation when I make this statement. I know what I am talking about; and what do they present to the dairymen or to the feeders? I shall now dwell on the question which the Senator from Colorado has asked me. Are not the dairy people asking us to protect their butter? And if we are to protect their butter against the importations of foreign butter, why is it not right to grant us one-fourth of a cent a gallon on a by-product of a domestic industry? I am willing to vote for a duty on butter, but I resent the narrow-minded view of the dairyman who wants 10 cents a pound protection on his butter and wants to deny the American sugar producers of this country one-fourth cent per gallon on the blackstrap molasses, which, if analyzed—and I think at one time the Senator challenged the figures which I produced, and I have another set to produce—means 6 cents a ton on feed to the dairyman if he uses the cheaper grades of blackstrap molasses, and if he uses the highest grades in the manufacture of feedstuffs it means a difference of only 34 cents per ton of feed which he consumes. What right has he to ask you and to ask me to vote for a duty on butter and then want to expose us and to subject us to competition with Cuban blackstrap molasses? And if you once admit that that is the correct argument, what becomes of your argument when you stand up here and ask for a duty of \$1.60 per ton on sugar? What is the difference? Why does the committee allow \$1.60 per hundred pounds on Cuban sugar, and why do some of us now claim 2 cents or \$2 per 100 pounds? Why do we ask \$2, or why has the committee agreed to \$1.60 per 100 pounds on sugar unless it be to put us on a parity as to American cost of production with the Cuban cost of production? If that applies to sugar, is not the blackstrap molasses produced by the same labor, in the same factories, and under the same conditions in competition with the same American labor, the same American production, in the same factories, and under the same conditions? You can not admit one and deny the other unless you destroy your position on the first.

I think the dairymen have reversed their attitude. I know that the grain people have. I demonstrated that yesterday, and I propose to do it again, with additional proofs, to show that it is the most narrow-minded, it is the most unintelligent conclusion that any set of men could ever arrive at, that they should want to permit the industrial alcohol people, who consume over 80 per cent of this blackstrap and who are not demanding that it be put on the free list, be given now free blackstrap molasses, without their request, in order that the man who feeds for the market and who wants a duty on his hides and who wants a duty on the carcasses of his animals should save 6 cents per ton additional cost on his feed because of this duty which the House has placed in the Fordney bill. It is the most absurd proposition that I have ever heard of.

Mr. PHIPPS. Mr. President—

Mr. BROUSSARD. I yield to the Senator.

Mr. PHIPPS. In order that the Senator may catch his breath—

Mr. BROUSSARD. I am not out of breath; I have just started.

Mr. PHIPPS. And so that I may not be misunderstood, I want to say, with his permission, that I was prevented from hearing his speech yesterday and I have not yet had time to read it in the Record. I was trying to ascertain his attitude to learn what he is advocating and upon what he bases it.

Briefly, in just a word, I want to say that so far as my information from the sugar producers is concerned they are not interested in the question of whether there is or is not to be a duty on blackstrap molasses. The consumers of blackstrap molasses in the alfalfa-feed mills, however, called my attention to the fact that up to a certain percentage they felt that it was all right, but the percentage had been set at 48 in the House instead of 56, and they thought that the additional duty should not apply until it reached 56; and that is what I advocated before the Finance Committee. I have advocated nothing beyond that. I was not present when the Finance Committee decided on the rate, and can not say on what it based its decision to put blackstrap on the free list, but that is my information, that that has been done. It was done, as far as I am aware, at the urgent request of the alfalfa-feed mills.

Mr. BROUSSARD. I would ask the Senator who, except the feed manufacturers of this country, advocated free blackstrap molasses before the Finance Committee?

Mr. PHIPPS. I am sorry I can not inform the Senator.

Mr. BROUSSARD. They are the only people who advocated it, and when they got through advocating it they joined the feeders and dairymen and asked the committee to give them a duty on the carcasses of animals, on the hides, and on butter. I come from the Democratic side of this Chamber.

Mr. PHIPPS. I notice the Senator is sitting very near the corner.

Mr. BROUSSARD. I am a protectionist.

Mr. PHIPPS. So am I.

Mr. BROUSSARD. I announced my candidacy in the State of Louisiana as a protectionist, and I have voted for protection, and I stand here now and claim that which I have accorded to every other State in the Union. I am not familiar with the beet-sugar industry, but I know the cane-sugar industry from top to bottom. I do believe you use your blackstrap molasses for feeding purposes, do you not?

Mr. PHIPPS. That is my information.

Mr. BROUSSARD. Then what is the idea in asking this committee to put blackstrap on the free list, in so far as industrial alcohol and feeding purposes are concerned? Have you not jumped across this way and taken a stand like that taken by some of my friends over here who want to have a certain industry protected but are not willing to accord protection to another State or another section?

Mr. PHIPPS. Of course, I am perfectly willing always to stand my share; but I submit that the Senator has no information upon which to base the statement that I advocated that it be put on the free list.

Mr. BROUSSARD. I misunderstood, and I apologize to the Senator. I understood that to be his statement just now.

Mr. PHIPPS. The fixing of the percentage at which the additional tariff should apply was at the request of the alfalfa feed people. I do not know where the other movement originated or started.

Mr. BROUSSARD. That is the only movement, and I am explaining that it originated with the American Sugar Trust, and the soap manufacturers, who want to have free blackstrap molasses in competition with the grain manufacturers of this country, in order to pan off their cottonseed meal and their cottonseed hulls, and whatever scraps they can buy, and all the sweepings they can get in all the warehouses of this coun-

try, and all the feed that is alone not acceptable or consumable by any animal, but which, when smeared with blackstrap molasses, will be palatable and undersell corn and oats. I am surprised that so many Senators on this floor have accepted this plea, which is so indefensible, and are permitting the people who are underselling the corn and the oats with inferior and unconsumable stuff, but which, when mixed with molasses, will undersell the very grain they are producing in their States, to get away with it.

Mr. PHIPPS. I do not like to interrupt the Senator, but I want to ask him one question now, because I am compelled to leave the Chamber. At what price has the blackstrap molasses of the Louisiana sugar refiners been selling on the market?

Mr. BROUSSARD. I will answer that, and I am glad to answer it at this time, although I expected to go over that very proposition later. Penick & Ford, who started this propaganda and who are manufacturers of Louisiana molasses and sirups, have furnished a document, to which I shall refer presently, in which they say that blackstrap is blackstrap, like "pigs is pigs." They make no difference, and the Louisiana blackstrap molasses must sell in competition with the cheapest kind of Cuban by-products and must bring the same price. When they buy ours they sell it to you in Colorado for Louisiana sirups and molasses, but we can not get a larger price because they do not make any differentiation between the Louisiana product, which is a very high product, and that imported from the other side. Here is the average they give: Pre-war in New Orleans, 4 to 4½ cents a gallon. Last year it was less than 3 cents a gallon, and it cost us nearly that much to get it to the market.

I want to explain to the Senator, if he must leave, that that is just the question with us; not the making of a profit from this by-product, but we must get enough protection to permit us to market it, because unless you market it, it is the most disagreeable thing you can have on the plantation. You must set aside certain acreage of your plantation in order to keep it within bounds, because if it gets in the drainage ditches it will worry everybody in the country. If you turn it into the streams the United States marshal arrests you. We were asking 1 cent duty per gallon on this and the House gave us a quarter of a cent per gallon, and I doubt very seriously whether the quarter of a cent would permit us to bring it to market. But if we got that quarter of a cent we would be willing to go into our pockets for a little bit of a sum in order to get it from the plantation.

What are we to do with it? If we let it get into the streams it pollutes the streams, it kills the fish, and the marshal arrests us for doing it. If we are denied this almost insignificant duty we can not market it, and it will become then a very heavy expense to us.

Mr. PHIPPS. And you expect to have the 1 cent per gallon duty added, which would give you 4 to 5 cents a gallon for your product?

Mr. BROUSSARD. We would like to have that.

Mr. PHIPPS. That is where you would land.

Mr. BROUSSARD. I have not reached that yet. That is what we asked the Ways and Means Committee to do, and I wish to state at this time that the Ways and Means Committee proposed to allow us three-quarters of a cent per gallon. The House defeated that under this new propaganda, which nobody had discovered, and the motive of which the dairymen and the feed people and the grain people had not then discovered. They reduced it to one-quarter of a cent, and the Finance Committee foolishly cuts off this quarter of a cent a gallon.

Mr. PHIPPS. The quarter of a cent was added as the percentage of the sugar in the molasses increased. There is a graduated scale, according to my recollection.

Mr. BROUSSARD. That was the basis: One-quarter of a cent for 48° total sugar and two hundred and seventy-five one-thousandths for each additional degree. I wish to say to the Senator that if he takes the Louisiana blackstrap molasses which he buys in the market as a sample, he absolutely does not know what blackstrap is, because hardly any State in the Union has ever fed Louisiana blackstrap molasses except on the plantation where it is made. Whatever gets on the market is sold at the rate of 95 cents a gallon after they run it through a filter. Louisiana blackstrap molasses is the only molasses that comes within the degrees the Senator has mentioned.

I wish to make this statement, and I know I speak with authority in this: We wanted 1 cent a gallon duty on blackstrap molasses, and we were accorded by the Ways and Means Committee three-fourths cent, and, as I expect to show later, the feed people of the United States organized a national association in Tennessee in 1917, and were prodded on by the enemies of the sugar industry of this country, and by Penick & Ford, of New Orleans, and then by the soap manufacturers, who wanted to put blackstrap on the free list in order to add

additional profits which they are making on molasses and on inferior feedstuffs over the grain growers of this country. They prodded the dairy people and the feeders to demand the lowering of the rate, and when the Fordney bill reached the floor of the House Mr. BYRNS of Tennessee, on behalf of the feed people, made the motion to reduce the rate from three-fourths of a cent to one-fourth cent per gallon, and it was carried. The rate carried by the House bill was what they wanted. Nobody in the House knew anything about this propaganda then, and they are excusable for their action; but this propaganda continued, and having decreased the rate to what they wanted, they then proceeded to defeat their own rate. I wish to say that the greatest disappointment ever met with by propagandists was when the Finance Committee made the exception that any blackstrap molasses imported for the purpose of human consumption should pay the tax. They are themselves now under the exception which the Finance Committee has imposed, entirely left out of the benefits which they started out to secure for themselves. I am glad of that, and anybody who understands the sugar situation in the United States knows that the American Sugar Trust and the enemies of the domestic sugar producers, which includes the international bankers of the United States who make loans to Cuban sugar producers, which includes many manufacturers in the United States, have had no limit to which they would not go in order to accomplish that which has been their goal since 1887—the absolute control and domination of the American market in so far as sugar and its by-products are concerned.

I now appeal to the members of the Finance Committee. This is an old story, with which all of them are familiar, and I am speaking the truth when I say that this movement originated with the enemies of the domestic sugar producers of the country, and whether the committee intended it or not, I am very happy they have not been included within the exemptions extended by the committee.

Mr. President, I now wish to refer again to the pamphlet entitled "Industrial Alcohol," by Mr. Tunison, previously referred to. I am sorry that all of the Senators who represent constituents who are feeders in the country and those who grow grain are not present to hear me. In a table are set forth the various products which may be converted into industrial alcohol. I wish to compare only the amount of alcohol which may be obtained from a given unit of sugar molasses and of maize, which is corn. We find that out of 1 ton of sugar molasses 65 gallons of industrial alcohol may be manufactured, and out of 1 ton of maize 85 gallons of industrial alcohol. It is the simplest proposition that any man ever tried to solve. I know that whenever alcohol is mentioned there are a great many people who are prejudiced against it, but the industrial alcohol industry of any country is one of the most important that any civilized nation could ever have. Germany's wonderful progress in the sciences, as I have demonstrated before, was due to her encouragement in the manufacture of low-cost alcohol.

When we figure that a ton of corn will only make 85 gallons of alcohol, and then we find that a ton of blackstrap molasses, containing 117 gallons, which they buy at 3 cents a gallon, which is less than \$4 a ton, may compete with corn at less than \$5 a ton, what are the grain people thinking about when they want to open the door wide open and give to the industrial alcohol people—who, by the way, are not asking for this rate—cheaper molasses in order to compete with the grain growers of the country? For \$4 of blackstrap they can manufacture nearly as much alcohol as they can out of a ton of corn. Figure what the value of the corn per bushel would be at that price.

It is perfectly amazing to me that Senators should be swayed by a man who feeds 20 head of stock or a man who has 100 head of cattle, and who says, "Please give me cheap feed and bring in blackstrap molasses free." He is only repeating what the feed compounder in this country has told him to repeat. Then he turns around to the same committee and says, "But please protect my butter, because I can not compete; please protect my calves and my cows, because I can not compete; but give me cheaper feed."

I demonstrated yesterday that out of every ton of feedstuff which the feed manufacturers of the country put on the market and sell to the dairymen or to the feeder, they make on the blackstrap content on that ton alone, without considering the practicability of the use of inferior products, a profit of \$4.57½ a ton, because they buy it at 3 cents a gallon and there are nearly 12 pounds to the gallon. They sell the feed containing 400 pounds of blackstrap molasses to every ton at 1.4 cents a pound, and therefore they realize an enormous profit out of the gallon of blackstrap. Also, in the inferior products that they palm off on the feeder in competition with the better grades of feed, and at the same time make the animal eat the inferior feed which was being capitalized by him. He

is making on the molasses content \$4.57½ from every ton sold to these people, and then he says, "Unless you cry out against this duty I will have to raise the price of feed." That is the situation.

This pamphlet is one issued by one of the several industrial alcohol concerns that converts practically 90 per cent of all the blackstrap imported into this country into alcohol, and if I am using their chief chemist as my authority on this proposition I know I can not be wrong. I wish to refer to the industrial alcohol proposition on pages 385-6:

Cane molasses. The chief source of industrial alcohol in the United States is cane or blackstrap molasses. Only a few years ago the disposal of molasses by the sugar mills was a serious trade waste problem.

I wish now to call the attention of the committee that unless we award a duty upon this article it will again become a serious trade waste problem with the people of my State, because they will have to market it at a loss or sustain a loss in order to impound it upon their own properties.

Continuing:

But it is now very largely used the world over as a raw material for alcohol manufacture. In the East and West Indies molasses disposal was a matter of expense. The conversion of molasses into alcoholic liquor, especially into rum, is an old enterprise. West Indies rum has been famous in New England for more than 200 years, and the use of molasses in large quantities for industrial alcohol production is a development of the last few years. As far as ease of manipulation is concerned, molasses unquestionably surpasses any other known material. Also, in the past it has been a very cheap material. Ordinarily it contains both sucrose and reducing sugars in varying proportions.

To those who are not familiar with the sugar industry I wish to explain that that means dextrose and levulose which the cane juice contains and which prevents the crystallization of a certain proportion of the sucrose into crystals, and when you are through with the blackstrap molasses, you have not only that portion of sucrose which it does not pay to further convert, but you have additional sugars, dextrose and levulose, which are just as valuable in the manufacture of alcohol or in the feeding of cattle as is the sucrose which has not been crystallized.

Continuing:

The grades used by distillers usually contain between 45 and 60 per cent of sugars.

I want to call the attention of the committee to what I stated yesterday. Here is a chemist, an expert of the principal industrial alcohol plant in the United States, who beyond controversy demonstrates to the committee that when they fix 65 per cent total sugars, they let in every drop of blackstrap molasses into the country free of duty. Here is a firm which would be very largely benefited. Here is one that will be more largely benefited by having blackstrap on the free list than all the cattle feeders and all the sirup and molasses makers for human consumption combined could benefit. I am not talking wildly when I say that. The output of this one plant in alcohol is immense, and what they would save if this article were put on the free list, as the amendment proposes to do, would place in the coffers of this corporation more money than all of the cattle feeders and all the dairy people and all the manufacturers of molasses for human consumption combined could save.

I wish to repeat this to show how wrong the committee is:

The grades used by distillers usually contain between 45 and 60 per cent sugars, averaging about 50.

So that the minimum amount which the Finance Committee have fixed as 56 is, according to this authority, 6 degrees over the average blackstrap molasses imported into this country. I can not altogether excuse the committee, because if the committee were thoroughly convinced that no sugar could be extracted out of what they intended to admit free of duty they would not have added this clause, and I direct the attention of the committee to it, because it proves my statement of yesterday and the statement which I am making now. I am reading from paragraph 1615a:

Molasses not testing above 56 per cent total sugars—

What does it say after that?—

not imported to be commercially used for the extraction of sugar.

If the idea of the committee was to let in blackstrap molasses to be used exclusively in the manufacture of feedstuffs, why did they not fix the limit so that they would not have to employ this clause? They have gone 6 per cent of total over the highest amount which is ever imported. The point I am making is that the committee deliberately, in my opinion, fixed 6 per cent greater than the maximum total sugars imported as blackstrap. If they had been innocent about it, they should not have put in these words—

not imported to be commercially used for the extraction of sugar—

because if they mean to put on the free list only blackstrap molasses they should have fixed that degree which we are

asking for. Then they would not have to worry about the extraction of sugars from blackstrap molasses.

I think that the man largely responsible for that was on the floor yesterday, the chairman of the Tariff Commission. I have stated to the committee—and I have some knowledge of the sugar business and of sugar manufacturing—that whenever they fixed on 52 per cent they were clearly 4 degrees above what had been accepted in the past as the dividing line between blackstrap molasses and molasses fit for human consumption; and that there was no reason to yield to the importunities of people who merely imagined that they would be obliged to pay an increase in the cost of the feed which they gave their cows. The committee disregarded the advice, but they are absolutely wrong, as I can show by every authority, not only in the United States but in the world, who knows anything about sugar and molasses. I intend to go as far as I can, because I have other authorities.

Yesterday I quoted the experts who were appointed by the Food Administration to relieve the imposition upon the public of people who were charging 95 cents a gallon for blackstrap molasses. The complaint reached here that there was a misrepresentation of the goods; that they were giving us a minimum price for our Louisiana molasses, running it through a filter and selling it as first-class sirup.

These experts—and mind you, Mr. President, two of them were from Louisiana, both of them being thoroughly acquainted with the Louisiana sugar industry—in the face of the fact that it was selling for 27 cents on the plantation, fixed a maximum price of 18 cents a gallon. The commodity which was being thus sold in the New Orleans market was almost exclusively a Louisiana product, because the imported molasses did not begin to come within 10 per cent of the total sugars of the Louisiana product. The imported article was sold to the industrial alcohol manufacturers and to the feed people in this country. We fixed our own maximum price, not the average price, and said that nobody should sell it for more than 18 cents a gallon.

I wish to reiterate—for it is very significant—that the industrial alcohol people, in contradiction of whatever information the Finance Committee may have had from the Tariff Commission when they fixed 56 per cent at the behest of the feed manufacturers, but not feed growers, without any request on their part are being granted over 90 per cent of the relief which it is desired to afford to the dairymen and the cattle feeders, and yet they say that the grades used by the distillers usually contain between 45 and 60 per cent total sugars. Those are the two extremes, the average being about 50. So the committee, in the face of the statements of the people who are most largely to benefit by it and who confessedly are not prejudiced against us, although they are the beneficiaries, have fixed 6 per cent above the actual facts as disclosed by the trade.

I wish also to call the attention of the committee to the fact that we have a Bureau of Standards, in which we now have a sugar division. The chief of that division is Mr. T. C. Bates, who is the assistant director. After having applied to Mr. Bates and Mr. Stratton, the director, I have a letter from them this morning, dated June 14, which is addressed to me, in which they say:

In reply to your request of even date, I am pleased to give you below a list of current analyses of blackstrap molasses. The data show the direct polarization and the total sugars for each sample. These samples cover all that were received between definite dates. This was done in order that they may be entirely representative of the average molasses received by the Bureau of Standards for accurate testing. A definite fee is charged for each sample. The samples were submitted by commercial concerns and the data are presumably used as a basis of settlement between buyer and seller. We believe the samples here represented are somewhat better in quality and therefore run somewhat higher in total sugars than the average Cuban blackstrap. In normal years it is generally considered by the trade that the average blackstrap will test around 52 per cent total sugars.

I have here, Mr. President, the different samples which have been submitted; and I wish to state that the maximum sugar content in any sample submitted was 57.24 per cent, but this letter specifically states that in total sugars contained these samples are all far above the molasses imported from Cuba. The statement from which I have read, of course, comes from a disinterested source.

As I quoted from the pamphlet issued by the industrial alcohol producers a while ago—and the producers of industrial alcohol are one of the chief beneficiaries of the amendment proposed by the committee—I now desire to call the attention of the Senate to a document issued by Penick & Ford (Ltd., Inc.), of New Orleans. I have here, Mr. President, a circular which they sent broadcast giving the analyses of some 35 samples of blackstrap molasses. I wish to read to the Senate the figures as to the total sugars contained in the samples which

they analyzed. Mind you, Mr. President, these people are not engaged in buying blackstrap molasses for industrial alcohol, nor are they engaged in buying blackstrap molasses for cattle feeding, but they are interested in buying blackstrap molasses for human consumption. The heading on their circular reads:

Penick & Ford (Ltd.) (Inc.).
Sugar, cane, and corn products.
New Orleans, La.

They do not sell anything to the industrial alcohol producers nor do they sell anything to the cattle feeders of this country. Every gallon which they buy is intended for human consumption, and we may therefore naturally assume that they buy a higher grade of molasses than is bought by the two other classes of consumers of blackstrap molasses in this country. I wish to put in the Record a statement of the total sugars disclosed by their analyses of the different blackstrap molasses which they have listed by name. For instance, the analyses show that in the kind of blackstrap molasses called Rochelle the total sugar content is 45.02 per cent; Marcoris, 45.64 per cent—let us bear in mind that the committee has fixed a limit of 56 per cent total sugars—J. O. Boyd, 47.24 per cent.

Mr. NICHOLSON. Mr. President, will the Senator yield for a question?

Mr. BROUSSARD. I gladly yield.

Mr. NICHOLSON. Taking the 56 per cent blackstrap molasses, how many pounds of sugar can be extracted from that molasses?

Mr. BROUSSARD. I will say to the Senator from Colorado that some of the sugar in blackstrap molasses is what we call invert sugar, and is of such a character as to prevent the extraction of 100 per cent of sucrose out of the juice, so that the proportion of sugar which is extractable will depend upon the proportion of dextrose and levulose, which are sugars also contained in the molasses.

Mr. NICHOLSON. Taking the blackstrap molasses of 56 per cent to which the Senator has referred, what would be the average amount of sugar possibly extractable from such molasses?

Mr. BROUSSARD. It is impossible to give an answer in pounds.

Mr. NICHOLSON. Can the Senator state the amount approximately?

Mr. BROUSSARD. It is impossible to give the answer in pounds, but if it was ascertained that in the blackstrap there was a certain percentage of levulose and a certain percentage of dextrose, then any chemist could figure the extractable sugar.

Mr. NICHOLSON. That is true. I thought perhaps, however, the Senator had that data.

Mr. BROUSSARD. I regret that I have not.

Mr. NICHOLSON. In California a few years ago, during the war, there was a great deal of accumulated blackstrap molasses, and a certain gentleman invented a process by which he extracted a large quantity of sugar out of the blackstrap molasses and placed it on the market as salable sugar. What I am trying to develop now is whether the blackstrap molasses imported into this country, say from Cuba, or wherever it may come from, is susceptible of being so treated as to extract a salable sugar to be placed upon the market.

Mr. BROUSSARD. I can not give a definite answer as to pounds unless a specific proposition is submitted. I may say, however, that it is doubtful whether or not any sugar could be economically extracted out of blackstrap molasses testing 54 per cent total sugars under the present market price, because the sugar is very cheap; but if the Cuban-American Sugar Trust should again hold the American people in its grip, as it did in 1920, when it advised the Cuban sugar producer to hold his sugar, which he had offered to the Government at 6½ cents a pound, for a price of 24 cents, so that it reached the consumer at a price of from 28 to 30 cents, then the committee knows that under those conditions sugar would be extracted out of molasses testing 56 per cent total sugars, because they took the precaution to provide against such an extraction by putting in a provision subjecting it to a duty. I may say to the Senator, however, that in my opinion whenever your beet sugar sells for 6 cents to 6½ cents a pound it is practicable and it is economical, I believe, for the sugar refiners at certain periods, when business is dull and when they want to carry on operations over the dull period, to go into the extraction of sugar out of 56 per cent total sugars after an examination of the sample in order to ascertain the surplus of the sucrose contents over the total of the dextrose and levulose, which is the margin of extraction.

I could think of samples containing 58 per cent that would not pay to extract the sugar, but I could think of samples of 55 and 54 per cent, where the proportion of sucrose was greater

than the total of dextrose and levulose, where they would absolutely take it out and then sell the residue for blackstrap molasses again, or they might go further in that process; they might refine it and sell it for sirups and molasses for human consumption.

Mr. SMOOT. Mr. President, I want to say to the Senator that about a month ago an attorney came into my office, well known to myself—in fact, he was an attorney from my home town—and presented to me the result of a new discovery in the extraction of sugar from molasses. The inventor of it is a Mr. Cutler. They were applying for a patent, and he showed me the different grades of sirups made from molasses that could be put upon the market, and the percentage of sugar that could be taken out profitably from 40 per cent sugar content in the molasses.

Mr. GERRY. Does the Senator mean total sugars, or the polariscope test?

Mr. SMOOT. Total sugars under the sugar test. By the way, I will say that young Mr. Cutler is the son of Thomas R. Cutler, the father, we often call him, of the beet-sugar industry in America. It was a remarkable statement that was made by the attorney who had the patent in hand. I will say that the patent has not been issued yet, but if they realize a small part of what they claim for it, the whole question of molasses and the extraction of sugar from it and the sirups will be revolutionized, not only in this country but in the world.

I recognize that many patents never materialize; but they had samples of the five grades of sirups that are made from 40 per cent molasses, and the sugar that was extracted from it, and the claims that were made were really remarkable. As to whether the result will materialize in a practical way or not, I can not say; but I do say that if a small part of all that they claim is realized, this whole question of the production of sugar from molasses is going to be revolutionized, not only in this country but in the world.

Mr. BROUSSARD. Mr. President, just along those lines, I am glad the Senator made this suggestion. The possibilities of chemistry are just opening. It is a question of reducing the various systems of production to an economic basis where it will be profitable; but we know, for instance, that chemists can take sawdust and make starch, they can then take the starch and make alcohol. They can take the sugar and make alcohol, and it is just a rearrangement of the elements composing the carbohydrate. Now, levulose and dextrose and sucrose are practically the same thing in chemistry, and if we stop to think that they have demonstrated that they can make sugar out of sawdust and make alcohol out of it, or sugar into alcohol, I do not doubt that very soon the sugar chemists will find a way either to convert the dextrose and levulose into sucrose, or at any rate to neutralize them and release the sucrose which is held down under the present conditions and prevented from crystallizing. Those things are within the possibilities, and they are not only within the possibilities but we may expect those things to be done very soon.

I will say this, and I should like to make this statement, because I know the facts: The Louisiana sugar industry has been denounced on this floor and on the floor of the other House for a hundred years. It has been said that it is a hot-house plant, and it is this, and it is that, and they have charged that to us. I want to say to anybody who knows the sugar industry of the world that Louisiana deserves the credit for having reduced the world price of sugar from 12 cents and more to what you can buy it for to-day. We have had a sugar school in my State for 60 years. There is not a cane-growing plantation of any consequence in the universe to-day that has not a Louisiana sugar man at the head of its factory and at the head of its sugar chemistry, who not only takes care of the fertilizing of the soil for the purpose of obtaining the maximum amount of sucrose and the diminution of the dextrose and the levulose, which is an enemy of the sugar industry, but in the plant we have reduced the cost.

We have had within my recollection in the domestic sugar industry not less than ten reversals, and whenever we were thrown down we availed ourselves of science and we met the reduction, and whenever they let us alone for six years we met the price of our competitors. The prices of sugar, dating back from the origin of this Government to date, show a drop from decade to decade, all of which is reflected not from the beet-sugar manufacturers of this country and Europe, but is reflected from the cane production of the West Indies, of South America, of India, and of the world. It is the cane sugar that has brought down that price, and it is, I should say, the only article of food the price of which has continually declined from the time it became generally accepted as a human food to the present day. There has been a general decline,

without any variation, most of which I claim was due to the expert knowledge and the information obtained in the sugar-cane fields and in the laboratories in the State of Louisiana.

I did not get through; I was diverted, but I should like to insert the column to which I was referring before this interruption, circulated by the Penick & Ford Co. (Inc.), giving the total sugars of all the molasses which they brought into New Orleans, their domicile, and the location of their factories. The largest percentage of total sugars was 53.78, and that is the only sample that disclosed this much total sugars; so that when the committee fix the minimum at 56 per cent total sugars, they have exceeded by 2.12 per cent the highest total sugars sample ever received by this chief enemy of a duty on this very article. I can not vouch for the correctness of that; the total sugars might have been less; but the people interested in driving down this duty and putting the product on the free list admit that they have had a sample as high as 53 per cent, which means that very probably this sample contained less; but I wish to have this table inserted in the RECORD.

The PRESIDING OFFICER (Mr. BURSUM in the chair). Without objection, the table will be printed in the RECORD.

The table referred to is as follows:

"Total sugars" in blackstrap molasses received by Penick & Ford (Ltd.) (Inc.), New Orleans, La.

Proposed tariff provides for duty of 1 cent per gallon on molasses testing 48 per cent "total sugars" plus two hundred and seventy-five one-thousandths of 1 cent for each additional per cent or fraction thereof. The method of determining "total sugars" is not specified. Two methods are shown below:

Ex tanker.	Sucrose direct by polariscope.	Reducing sugars.	Total sugars.	Proposed duty.	
				Cents per gallon.	Dollars per ton.
Rochelle.....	25.6	19.42	45.02	1	\$1.71
Macoris.....	28.4	17.24	45.64	1	1.71
J. O. Boyd.....	26.4	20.84	47.24	1	1.71
Inspector.....	24.8	26.32	51.12	2.100	3.59
Sucrosa.....	29.6	18.52	48.12	1.275	2.18
Do.....	29.6	20.00	49.60	1.550	2.65
Do.....	26.4	23.81	50.21	1.825	3.20
Nelson.....	28.0	22.73	50.73	1.825	3.12
Do.....	26.0	27.78	53.78	2.650	4.53
Do.....	28.8	20.84	49.64	1.550	2.65
Tilford.....	28.0	20.00	48.00	1	1.71
Louisiana.....	24.0	26.32	50.32	1.825	3.12
Sucrosa.....	28.0	20.84	48.84	1.275	2.18
Nelson.....	29.6	20.84	50.44	1.825	3.12
Cubadist.....	31.2	17.86	49.06	1.550	2.65
Do.....	26.0	19.23	45.23	1	1.71
Do.....	31.2	17.55	48.75	1.275	2.18
Nelson.....	29.4	18.87	48.27	1.275	2.18
Cubadist.....	22.4	18.35	40.75	1	1.71
Milero.....	26.0	17.86	43.86	1	1.71
Cubadist.....	23.2	16.97	40.17	1	1.71
Do.....	29.2	17.24	46.44	1	1.71
Marti.....	30.2	14.50	44.70	1	1.71
Regina.....	25.6	14.93	40.53	1	1.71
Do.....	32.8	19.23	52.03	2.375	4.06
Nelson.....	26.4	17.02	43.42	1	1.71
Milero.....	21.6	18.45	40.05	1	1.71
Cubadist.....	24.0	18.18	42.18	1	1.71
Sucrosa.....	24.0	16.13	40.13	1	1.71
Marti.....	28.9	17.54	46.44	1	1.71
Nelson.....	25.6	23.25	48.85	1.275	2.18
Do.....	30.8	19.23	49.31	1.550	2.65
Cubadist.....	30.6	18.52	49.12	1.550	2.65

Blackstrap molasses is not bought or sold on sugar test. Blackstrap is blackstrap, same as "pigs is pigs." No sugars can be profitably extracted from blackstrap, and there is no sense in departing from custom of entering blackstrap as "molasses not over 40 degrees by polariscope." An ad valorem duty based on American money valuation in country from which shipment is made is most scientific, as it provides for an increase and decrease as supply and demand create the market.

Mr. BROUSSARD. I think the Senator from Ohio [Mr. WILLIS], who happens to be near me at this time, was interested yesterday to know if blackstrap molasses was ever used for human consumption. I have here a document which was issued by Mr. Payne, who is in charge of the molasses division of the Bureau of Chemistry of the Agricultural Department. For instance, here is the molasses on the market, and this is issued by this bureau. It does not say where it came from, but it says:

Sells straight cane sirup under brand names, and mixture of cane and corn sirups down to 50 per cent cane and 50 per cent corn sirup, called New Orleans molasses—

It cost the farmers of my country many a drop of sweat and many a sacrifice to make a reputation for this New Orleans molasses. What does it contain now, according to the Department of Agriculture?

Formulas of sirup mixers:

Sixty per cent first centrifugal molasses—

A centrifugal molasses is not a molasses at all in the sense that the New Orleans molasses was known, which is made under an entirely different process.

Sixty per cent first centrifugal molasses, 40 per cent corn.

Here is another one:

Eighty per cent first centrifugal molasses, 20 per cent corn.

Seventy-five per cent first centrifugal molasses, 25 per cent corn.

Fifty per cent first centrifugal molasses, 50 per cent corn.

One of our by-products.

Now, take the cottonseed fellows, the cattle-feed people; for instance, Procter & Gamble. The Soap Trust owns half of the cottonseed crushers in my State.

Cottonseed hull, corn chop, cottonseed meal, alfalfa dust—

And cobs, I might add, because I know it. It is not contained here, but in the case of anything that the cattle will not eat it is only necessary to put molasses over it and they will eat it.

I will go back again, in order to quote accurately:

Cottonseed hull, corn chop, cottonseed meal, alfalfa dust, salt for palatability, average use of molasses 15 per cent.

That is what these people use. Most feeders use 20 per cent; some use 40 per cent.

Feed mixers are of three classes: First, the manufacturers of cereal foods making feeds from their by-products.

Do they want to deny us protection because molasses is a by-product? Do they want to give that advantage to the manufacturers of the cereal foods, who may get free molasses and convert these by-products of theirs in competition with the corn and the oats and the barley and hay grown by the farmers of this country?

First, the manufacturers of cereal foods making feeds from their by-products, using blackstrap molasses; second, manufacturers who have by-products at strategic shipping points who, if need be, can buy all the ingredients; third, concerns like Procter & Gamble, who do not manufacture foods, but have large accumulation of by-products from cottonseed oil, such as hulls, meal, etc.

I can explain what the "etc." stands for. I have seen these feeds manufactured in my State. I have seen them go and buy a haystack which had been standing in the lot for months, which stock would not touch even though starving. I have seen them take it and run it through a chopper and put 20 per cent molasses in it, and the animals would leave fresh corn, one month in the barn, and eat this old stuff. When they got rid of this old hay or these sweepings, they were not only making a profit out of an article of food which animals would not eat, but for every ton of that food they sold to the man who feeds they made \$4.575 profit on the molasses alone in that ton of feed. But they want to deny us 6 cents per ton protection. It is the most absurd thing I ever heard of.

In order to do that you will have to violate the opinion of every expert who knows anything about sugar and blackstrap molasses. You have put in that very clause a provision that if a man extracts sugar from that blackstrap molasses he must pay a duty, because you have made it so high that whenever sugar sells for over 6½ cents, you will find people extracting sugar from this molasses.

Mr. WILLIS. Mr. President, the Senator said just a moment ago that there was a duty of 6 cents a ton. Did he mean that?

Mr. BROUSSARD. No; I did not mean that; I meant a duty of a quarter of a cent per gallon.

Mr. WILLIS. That is, on the molasses itself?

Mr. BROUSSARD. On the molasses; and you use 32.4 gallons per ton of feed.

Mr. WILLIS. Then how do you figure out the 6 cents?

Mr. BROUSSARD. I will show the Senator. Every gallon of that brings us 3 cents, though we could not get 3 cents last year. The man sells that feed at an average price of \$28 a ton, which is at the rate of 1.4 cents per pound. He uses 32.4 gallons per ton, which amounts to 400 pounds, because each gallon weighs 11.7 pounds.

Every pound of this molasses which he sells brings him 1.4 cents. There are 11.7 pounds to the gallon, so that each gallon brings him 16 and a fraction cents, and it costs him 3 cents. He makes a profit of 13 and a fraction cents per gallon for every gallon which he puts into this feed. But the addition of this duty of one-fourth of a cent to his 3 cents would make a difference of 6 cents a ton for the molasses which he puts into this ton of feed, if you take the minimum of 48 degrees, fixed under the Fordney bill. As you increase, you will find that the maximum which any man could be called upon to pay as an increase due to the Fordney tariff rate would be 34 cents per ton increase, without taking into consideration—and this, of course, would reduce it—the fact that there is now a duty of 15 per cent ad valorem on blackstrap up to 40 degrees, and 2½ cents above; so that if your molasses had only 15 de-

grees, it would be 15 per cent ad valorem; if it had 33 degrees, it would be 15 per cent ad valorem. So that there is a duty, and my figures must be reduced by that duty.

There is this other consideration, that that molasses at 56 degrees, which we are conceding in order to meet this argument, is never put into industrial alcohol or into feedstuffs because there is a market for it for human consumption.

If the dairy people of the Senator's State want a duty on butter, want a duty on hides, and want a duty on the carcasses of the animals, what right have they to ask us to increase the profits of the feed manufacturer on the molasses consumed by the manufacturer in the production of a ton of feed, which, considered without the duty, would make him \$4.56½, in order that he might not increase the price of his feedstuffs? The fellow is a profiteer now, so far as molasses is concerned, because he makes no distinction when he sells you a ton of feed. He sells you the 400 pounds of molasses at the same rate per pound as he does the other worthless feed which he has in it.

But I will go a little further with this: Every dark mixture primarily used for baking consists of 16 parts of Cuban blackstrap, 6 parts Louisiana centrifugals.

Whenever they use any of that stuff they put the Louisiana product in it because our finished product is so far superior to their finished product that there is the same difference between our blackstrap molasses and theirs; but I will come in a moment to what Penick & Ford, who started this propaganda, state. They say blackstrap is blackstrap, like "pigs is pigs."

Our blackstrap frequently carries 56 per cent total sugars. The Cuban product will go from 40 to 45 or 48 total sugars. But we bring our 56 per cent on the market—and I will read that to the Senate in a moment—and the man who buys our stuff says, "Blackstrap is blackstrap, like pigs is pigs," and he makes no distinction between the degrees of total sugars in the molasses. We received less than 3 cents in 1921 because the buyer could get blackstrap molasses from Cuba cheaper than we can sell it in New Orleans, because from the plantation to New Orleans the transportation rate is about twice as much as it is from Cuba to New Orleans by water.

This is what the Department of Agriculture says:

Some Cuban molasses is undoubtedly not fit for food, but I have never seen any I was unable to use.

It is a physical process. You filter it, and you get it down at the other end an edible article. If you compound it with good molasses, say, corn or sugar-cane sirup, and mix it in proportion, you can palm it off. You get this at 3 cents, and you do not sell it at 95 cents a gallon, but you sell it at that rate, because you sell the compound at that price, and therefore that proportion of it goes at that. But I shall reach presently the statement that they do sell it at 50 cents just as they receive it. We sell it to them at 3 cents, and they do not want us to have a duty of a quarter of a cent a gallon.

I want to read this to the Senate, because I think it will interest the Senator from Ohio and interest all the Senators from the grain States. This is from a statement submitted to Congressman MONDELL last year:

Inasmuch as the greater part of Cuban and Porto Rican is used for distilling spirits—distilled spirits, since the passage of prohibition amendment, being restricted to denatured alcohol and denatured rum used for tobacco manufacture. The latest report from internal revenue for fiscal year ending June 30, 1919, was 123,498,693 gallons of molasses used for the manufacture of distilled spirits. The total includes two sources of saccharine liquors from wood and sulphite liquors. In the year (fiscal) 1916 the total amount of such saccharine liquors other than cane molasses used for production of alcohol amounted to 4,070,113 gallons. It is possible, but has never exceeded 6,000,000 gallons.

Therefore cane molasses used for production ended June 30, 1919, was 117,000,000 gallons, in round figures.

The amount of molasses brought into the United States during the fiscal year 1919 was:

	Gallons.
Cuba	124,254,663
Porto Rico	15,118,678
Hawaii	11,065,996
All other	5,820,054
Total	156,259,391

This total consists almost exclusively of the grade known as blackstrap. Of the above total, 117,000,000 gallons were used for distilled spirits; 39,000,000 gallons for other purposes.

Domestic production, December, 1918, to September, 1919, approximately 16,000,000 gallons. Only negligible portion of blackstrap used for alcohol—

That is, they do not use our blackstrap for alcohol; it is too good. This continues:

Only negligible portion of blackstrap used for alcohol, therefore above added to imports approximates 55,000,000 gallons available for purposes other than alcohol, which was used primarily for human food and cattle feed. Small amounts used for making cores for foundries and for blacking.

Here is the point to which I wish to call attention:

Fifty-five million gallons used for feed equals 11,800,000 bushels of corn—

That is, chemically, and by demonstration—

which it displaces. The 117,000,000 gallons used for alcohol making displaces 25,100,000 bushels of corn for alcohol making; making a total of 36,900,000 bushels of corn displaced by the use of blackstrap molasses.

In other words, the corn grower gets it both ways.

The feed manufacturers will not buy corn at 60 cents per bushel when they can get blackstrap molasses at 3 cents a gallon, and when $4\frac{1}{2}$ gallons of blackstrap equal the caloric or feeding value of 1 bushel of corn. The industrial alcohol people will not buy corn at 60 cents a bushel when 6 gallons of blackstrap molasses will make the same quantity of alcohol as a bushel of corn. The farmers of Illinois have recognized that. I placed in the RECORD their estimate that the blackstrap molasses imported from Cuba displaces 40,000,000 bushels of corn in this country. If the man who wants protection on his butter and cattle and hides wants to put us on the free list, he is simply helping the man who is competing with his corn. He is destroying a domestic industry that is willing to help him get protection for what he wants. It is a very short-sighted policy for him to put the other fellow on the free list and to demand protection for himself.

Mr. President, I would like to insert in the RECORD two tables that came from the Department of Commerce which show the average per gallon duty imposed on blackstrap molasses entering this country between 1910 and 1920. They also show that the highest duty imposed on blackstrap molasses was 3.6 cents per gallon and that under the present law it amounts to 2.4 cents per gallon on the high grades. So that we submit to the Senate, considering that all previous administrations of both parties have accorded us a duty, it is most unwise now, when the rates are being raised on every article as compared to the existing rates under current law. In this particular instance, instead of giving us a similar increase, one which would follow the increases in the duties imposed on sugar, and inasmuch as this is a by-product of sugar, it is inconceivable that the Republican Party or the Finance Committee would want to go back and say, "Yes; we will take the current rate or the present rate on sugar under the current law, which is 1 cent, and we will make it 1.60, but we find that there is 15 per cent ad valorem on blackstrap molasses up to 40°, and above that 2½ cents a gallon, so we will increase the tariff on sugar, but the blackstrap will go backward and on the free list. We will go the Democratic Party one better." In other words, the committee say to the Democratic Party, "We will go you one better in one way by giving higher protection on sugar, and then we will go you one better the other way, because we dare to put blackstrap on the free list." It is an indefensible thing.

The two tables which I asked to have printed in the RECORD show the duties imposed on the imports of molasses from Cuba and the duties imposed upon imports of molasses from other countries than Cuba. I ask permission that they may be printed in the RECORD.

The PRESIDING OFFICER (Mr. BURSUM in the chair). Without objection, the tables will be printed in the RECORD.

The tables are as follows:

TABLE VII.—Molasses (blackstrap) not above 40°.—Imports for consumption from Cuba.

(Data from the Department of Commerce.)

Fiscal year ending June 30.	Legal rate of duty.	Quantity.	Value.	Duty collected.	Average per gallon in Cuba.	Actual rate of duty paid.
		Gallons.				Per cent.
1910.....	20 per cent, less 20 per cent.	30,489,714	\$1,067,156	\$170,744	\$0.035	16
1911.....	do.....	20,000,337	700,365	112,058	.035	16
1912.....	do.....	25,451,085	882,710	141,233	.035	16
1913.....	do.....	29,468,901	1,508,965	169,439	.036	16
1914.....	do.....	25,334,987	872,667	139,626	.034	16
1915.....	15 per cent, less 20 per cent.	24,826,991	663,173	75,980	.026	12
1916.....	do.....	74,748,504	1,609,582	193,149	.025	12
1917.....	do.....	82,501,070	3,377,721	405,326	.041	12
1918.....	do.....	105,788,759	10,377,340	1,245,280	.097	12
1919.....	do.....	126,055,181	8,322,225	998,667	.086	12
Calendar year:						
1918.....	do.....	136,092,374	9,110,348	1,094,322	.087	12
1919.....	do.....	110,244,781	3,471,871	416,625	.031	12
1920.....	do.....	148,082,698	3,848,942	425,273	.024	12

TABLE VIII.—Molasses (blackstrap) not above 40°.—Imports for consumption other than from Cuba.

(Data from the Department of Commerce.)

Fiscal year ending June 30.	Legal rate of duty.	Quantity.	Value.	Duty collected.	Average per gallon in country of origin.
		Gallons.			
1910.....	20 per cent..	506,990	\$16,835	\$3,367	\$0.033
1911.....	do.....	2,222,693	64,743	12,948	.029
1912.....	do.....	1,521,185	45,860	9,172	.030
1913.....	do.....	1,768,674	59,764	11,952	.034
1914.....	do.....	459,378	18,371	3,674	.037
1915.....	15 per cent..	130,773	6,227	934	.043
1916.....	do.....	3,594,221	95,711	14,356	.027
1917.....	do.....	3,724,082	129,445	19,416	.035
1918.....	do.....	2,205,714	250,554	37,633	.114
1919.....	do.....	4,624,907	182,136	24,320	.035
Calendar year:					
1918.....	do.....	4,341,297	345,845	51,877	.080
1919.....	Free ¹	9,470	5,374583
1920.....	15 per cent..	7,544,820	196,665	29,500	.026
	Free ²	15,190	11,437750
	15 per cent..	11,558,556	317,803	47,670	.027

¹ From Virgin Islands.

² From Virgin Islands and Philippines.

Mr. BROUSSARD. Mr. President, I wish to appeal to the grain growers who are taking an interest in this matter. I want to read, for instance, an experiment conducted in the State of Maryland, as shown in Bulletin 117, issued in April, 1907, by the Maryland Agricultural Experiment Station. They make the statement that using molasses in stock feed was tried as an experiment on six steers. I am not using a Louisiana experiment, where we have been conducting such experiments for 40 years. I am using a near-by State, a State farther north. The experiment showed that the digestibility of hay and corn mixed with molasses had increased 17 per cent; of crude fiber, 8.2 per cent; of entirely free extracts, 22 per cent; and of sugars, practically, 21 per cent. I quote from the pamphlet as follows:

These results show that the addition of molasses to a ration has a tendency to increase the digestibility of both hay and grain feed. This, coupled with the generally observed fact that molasses contributes toward making feeds more palatable and also acts as an appetizer, gives molasses a relatively high place as a stock feed and makes it more valuable than its analysis alone would indicate.

Here is the interesting part of the statement:

Comparisons of costs of to-day, using not the price of cash corn and oats but the average of the low prices quoted for delivery of these grains from December to May of 1917, shows molasses at 20 cents per gallon—

Just think of it. At that time the people here were paying 20 cents per gallon for molasses. As I said, we tried to contract for 3 cents a gallon last year.

Molasses at 20 cents a gallon is equal to \$1.70 per hundred pounds; oats at 64 cents a bushel is equal to \$2 per hundred pounds; corn at \$1.20 per bushel is equal to \$2.14 per hundred pounds. The above comparisons of value show oats to cost 17.6 cents per hundred pounds more than molasses and whole corn 25.8 cents per 100 pounds more than molasses.

What I am trying to show is that as an article of food it has been demonstrated by every agricultural station in the United States that oats and corn, when compared with their cost, are not as efficient as food for animals as is the blackstrap molasses. The bulletin further says:

The corn is only paralleled in food value with the molasses after the expense of crushing it shall have been incurred.

I come back now to the report of the committee on cane sirup and molasses made to the Food Administrator in 1918. On page 13 is a question which they propounded to every expert they could reach:

From practical use of molasses in feeding stock what would you consider its value as compared, say, with the value of corn? In other words, what price would blackstrap molasses have to reach to induce you to quit feeding it entirely and feed only corn, oats, hay, or other farm products?

Here is what the committee reports:

One answer fixed the price at 12 cents per gallon; the next lowest was 20 cents per gallon, and the highest 40 cents per gallon, the average being 26 cents per gallon, while others answered that they would feed some blackstrap at any price. In addition to the above information, we have called a number of persons before us to ascertain their views as to what they would consider a fair price for blackstrap molasses, and their estimates ranged from 18 cents to 25 cents per gallon, a great majority naming the latter price.

A number of experiments have been conducted by the Agricultural Department of the United States Government and some of the agricultural departments of the States, and they rate blackstrap as a stock feed very high, equal in value to corn, pound for pound.

The committee, while they had all the information which fixed the price as an article of food from 40 cents down to 20 cents,

and finding that the article was being sold for human consumption in many cases at 95 cents a gallon, taking into consideration everything—and out of five members there were two from Louisiana—fixed a maximum price on this product of 18 cents per gallon. So it can be easily understood that the grain growers are just as much interested in the proposition as we are, except that if they can not get rid of their corn which is displaced by this product they can feed it on the farm, or at any rate, it will not make it oppressive or inconvenient for their neighbors. But with us, what we need is a small protection which will permit us to market the product in order to get it off the plantation where it is a perfect nuisance, and where it can not be taken care of except at great sacrifice and great expense.

Mr. President, I think I have said about all I want to say with reference to the matter. I appeal to the committee. If there is anything I have said that is not absolutely according to the facts I would like to have it called to my attention. I have stated previously that for a number of years, before we Louisiana people showed the value of this article as a food-stuff and then showed its value as an article which would be converted into industrial alcohol, we were put to great expense and sacrifice of land and having disagreeable odors and fermentation on the property which made it disagreeable even for the passers-by on the roadside. As I said, we can not put the product into the streams, because if we do we pollute the water and kill the fish and we are arrested under a Federal statute. We must set aside a certain piece of land of equal value with the rest of the farm in order to impound it there, and year after year we have the same thing to contend with.

All we need is a little bit of protection to permit us to bring it to market. Whether we make a profit out of it or not is not the question. We want to be relieved of it. There is no reason for placing it on the free list when the industrial alcohol people, who are using over 90 per cent of this by-product imported into the country, have not asked that it be placed on the free list. It is only the feed people and the dairy people who have asked it. They have asked it because they conceive that the feed manufacturer is going to raise the price of feed unless it is put on the free list. They have never raised that question before.

Now that we are increasing all rates it is beyond reason for the committee to propose to put us on the free list while increasing every other article of American product. We would like to have, as we said before the Ways and Means Committee, a 1 cent tariff duty. The House made it, in answer to the demand of the feed manufacturers, one-quarter of a cent. I do not know what rate I shall propose. The Senator from Illinois has an amendment pending proposing to make the rate 10 cents a gallon. My people have never asked that rate before either committee.

I wish to make the request now, if it meets with the approval of the chairman of the Finance Committee, that we permit this paragraph to go over, to be taken up with paragraph 1615a, so that when we pass upon that paragraph we can pass upon this one at the same time. I understand the Senator from Illinois desires to urge his amendment at that time. It will naturally be disposed of at that same time. Otherwise I shall be compelled to ask for a vote now as to a few words which I do not think would bind us at all. I hope the chairman of the Finance Committee will permit this paragraph to go over until we come to the consideration of paragraph 1615a, which proposes to put this article on the free list. In the meantime I hope that the committee may reconsider this matter, so that we may have some kind of proper readjustment.

Mr. McCUMBER. The matter may be passed over for the day at least, and I will consult with the Senator from Louisiana as to a time at which it may subsequently be taken up.

The PRESIDING OFFICER. Without objection, the paragraph will be passed over temporarily.

Mr. GERRY. I understand the Senator from North Dakota to say that he intends to pass over the amendment in paragraph 503?

Mr. McCUMBER. The amendment which has just been discussed is in the molasses paragraph, which the Senator from Louisiana [Mr. BROUSSARD] has asked may go over until we consider the sugar schedule, and the paragraph in the free list covering molasses testing not above 56 per cent total sugars.

Mr. GERRY. As I understand, the paragraph 503 bears a relation to paragraph 1615a, on page 227, which places a certain class of molasses on the free list. Paragraph 1615a will not be considered until the free list is reached; but the amendment in paragraph 503 will be considered now unless the Senator has asked that it go over.

Mr. McCUMBER. I have asked that it may go over now for the day, at the request of the Senator from Louisiana.

Mr. GERRY. I could not hear the Senator, and that is what I was trying to get straightened out.

Mr. WALSH of Massachusetts. I ask unanimous consent to have inserted in the RECORD and referred to the Committee on Finance a copy of resolutions recently adopted at the annual convention of the American Feed Manufacturers' Association, requesting free entry of blackstrap molasses—the product which the Senator from Louisiana [Mr. BROUSSARD] has just been discussing.

There being no objection, the resolutions were referred to the Committee on Finance and order to be printed in the RECORD, as follows:

Resolved by the American Feed Manufacturers' Association, in convention assembled at Chicago, Ill., June 8 and 9, 1922, said association representing approximately 150 manufacturers of feeding stuffs from all sections of the United States, employing a capital of more than \$100,000,000. That we respectfully urge Congress in the interest of this important industry and in the interest of the dairymen, cattlemen, and consumers of meats, poultry, eggs, and dairy products, and the users of feeds for horses and mules, to permit free entry of blackstrap molasses for feed purposes.

That we also respectfully ask Congress in passing the tariff bill to follow the original House draft in fixing the tariff on ground and unground screenings. We consider it detrimental to the American farmer, manufacturers, and consumer to place a higher duty on the raw material (unground screenings) than on the manufactured article (ground screenings), especially in view of the fact that screenings ground in Canada is so imperfectly done that it does not eliminate the only objection that can be raised to the use of screenings as feed, viz, the possibility of befouling American soils.

That we also respectfully call the attention of Congress to the fact that the importation of ground screenings, when prices are low as at present, is impracticable on account of high freight rates. Ground screenings must be bagged or sacked before shipment and then shipped by railroad at high freight rates, whereas unground screenings are usually shipped in bulk by water at very much lower rates.

Unanimously adopted on June 9, 1922.

Attest:

L. F. BROWN, Secretary.

Mr. McCUMBER. Mr. President, my attention has been called to an article in the New York World of June 14. I will merely read the headlines of the article, which are as follows:

Bounty on potash urged with tariff as boost for HALE. Maine Senator convinces committee, but SMOOR charges it is mere electioneering. Plan would cost public \$40,000,000 in five years.

I feel that this article is so unjust to the Senator from Maine [Mr. HALE] that it becomes my duty to correct the misstatement. The Senator from Maine did appear before the committee and earnestly opposed any tariff on potash. He never discussed, however, with the committee the question of a bounty in the place of a tariff, nor did he refer to it in any way, shape, or manner. After he had left the committee the members who were present took up the subject and tentatively proposed in lieu of the tariff to place potash upon the free list, and for the purpose of protecting, or at least encouraging the American industry, to grant a bounty equivalent to tariff rate for a period of five years, and at the same tariff rate. That is, however, but tentatively proposed, and no final decision will have been made until the committee reports the matter to the Senate. The reason for the protection which was given by the Committee on Ways and Means was that during the war the price of potash rose to \$450 per ton, and it was thought best by the Committee on Ways and Means to protect it for a period of five years, with a gradually diminishing tariff, so that potash would be free at the expiration of five years. During the boom incident to the war, however, when the price encouraged the greatest possible development, the production of potash was but 54,000 tons. If we should provide a bounty to-day there would be nothing paid on it, because there is not a single one of the potash factories in operation; and if we should even go up to a production of 50,000 tons a year, during the next few years the amount would not exceed \$2,500,000 for the first year, \$2,500,000 for the second year, \$2,000,000 for the third year, \$1,500,000 for the fourth year, and \$1,000,000 for the fifth year. That is on a basis of possible production of 50,000 tons a year.

However, I did not rise at this time to discuss the merits of the proposition at all, but simply to explain the part which the Senator from Maine took before the committee in asking that potash be put on the free list and to state what was the limit of his request.

Mr. OVERMAN. Does the Senator from North Dakota think that the Committee on Finance will report in favor of the proposition of putting potash on the free list?

Mr. McCUMBER. Yes; the committee has decided to do that.

Mr. President, I now ask that we return to paragraph 302, page 41, line 15. I think we have covered everything in the paragraph except one clause.

Mr. OVERMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Gerry	McKinley	Shortridge
Ball	Gooding	McNary	Simmons
Borah	Harreld	Nelson	Smoot
Broussard	Harris	Newberry	Spencer
Bursum	Harrison	Nicholson	Sterling
Calder	Hitchcock	Norbeck	Sutherland
Cameron	Johnson	Norris	Swanson
Capper	Kellogg	Oddie	Townsend
Caraway	Kendrick	Overman	Underwood
Curtis	Keyes	Phipps	Walsh, Mass.
Dial	Ladd	Poinexter	Walsh, Mont.
Edge	Lenroot	Pomerene	Watson, Ind.
Elkins	McCormick	Ransdell	Willis
Ernst	McCumber	Sheppard	

Mr. CURTIS. I desire to announce the necessary absence of the Senator from Pennsylvania [Mr. PEPPER] on business of the Senate.

I also wish to state that the Senator from Wyoming [Mr. WARREN] is detained from the Senate by reason of illness in his family.

The PRESIDING OFFICER. Fifty-five Senators having answered to their names, a quorum of the Senate is present. The question is on agreeing to the amendment of the committee, which will be stated.

The READING CLERK. In paragraph 302, page 49, line 16, it is proposed to strike out "72" and insert "60," so as to read: ferrotungsten, metallic tungsten, tungsten powder, tungstic acid, and all other compounds of tungsten, 60 cents per pound on the tungsten contained therein.

Mr. WALSH of Montana. Mr. President, I supposed we had disposed of that item.

Mr. SMOOT. No; I will say to the Senator that I asked that it go over for further consideration of the duty of 45 cents per pound on the tungsten contained in the ore, thinking perhaps there would be a change in that, and if there was a change in that, it would necessarily change the item now before the Senate, which is the metallic tungsten, tungsten powder, and tungstic acid; but with no change in the 45 per cent there will be no change in the other items named.

Mr. WALSH of Montana. The Senator is not proposing to offer any amendment?

Mr. SMOOT. No; I shall not offer any amendment.

Mr. WALSH of Montana. The Senator from Nevada [Mr. PITTMAN] is particularly interested in that feature of the paragraph, and he is unavoidably absent to-day.

Mr. SMOOT. I do not think the Senator from Nevada objects to the rates in the bill.

Mr. WALSH of Montana. That is my understanding. I do not think he has any objection to these rates.

Mr. SMOOT. I am quite sure he has not.

Mr. WALSH of Montana. On the assurance of the Senator, then, I will offer no objection to disposing of the matter now.

Mr. SMOOT. I will assure the Senator that if the Senator from Nevada has any objection, when he returns to the Chamber I will ask for a reconsideration of it.

Mr. WALSH of Montana. Very well.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The READING CLERK. On the same page, line 17, it is proposed to strike out "15" and insert "25," so as to read: and 25 per cent ad valorem.

The amendment was agreed to.

The READING CLERK. The next amendment is on the same page, line 20, where it is proposed to strike out "72" and insert "60," so as to read:

ferrochromium tungsten, chromium tungsten, chromium cobalt tungsten, tungsten nickel, and all other alloys of tungsten not specially provided for, 60 cents per pound on the tungsten contained therein.

The amendment was agreed to.

The READING CLERK. On the same page, line 21, it is proposed to strike out "17" and insert "25," so as to read: and 25 per cent ad valorem.

The amendment was agreed to.

Mr. SMOOT. Mr. President, I ask now to take up paragraph 382, tinsel wire.

Mr. WALSH of Montana. Mr. President, before we pass this paragraph, I observe that the compounds of chromium carry 30 per cent ad valorem, chrome being on the free list. They are found on page 50.

Mr. SMOOT. I will say to the Senator that there is no change made in that.

Mr. WALSH of Montana. But the rates here are fixed on the basis of free chrome, of course.

Mr. SMOOT. Free chrome ore; yes.

Mr. WALSH of Montana. I inquire of the Senator what were the considerations which induced the committee to put chrome ore on the free list?

Mr. SMOOT. The information that the committee had was that chrome ore was found only in a scattered condition in this country, and that the quality was very inferior to that which was imported from foreign countries; and not only that, but the users of it in this country state that it is not dependable, and therefore chrome ore was put upon the free list.

Mr. WALSH of Montana. They made exactly the same representations concerning manganese, did they not?

Mr. SMOOT. No; in the case of manganese it was put upon the ground that there was not sufficient of it in the United States, but the question of quality was not involved.

Mr. WALSH of Massachusetts. The production of chrome ore did develop very largely during the war, did it not?

Mr. SMOOT. But it was at prices that nobody could think of paying in ordinary times. It was like other items that went twenty times as high as they were in normal times.

Mr. WALSH of Montana. I am interested in the thing not particularly so far as the tariff is concerned, but because of the reasoning upon which the item goes on the free list. The fact about the matter is that we are as fortunately situated in the State of Montana with respect to chrome ore as we are with respect to manganese. We can supply the world with chrome ore. There is no limit to the quantity we can produce, and, so far as quality is concerned, of a quality equal to that produced anywhere. It is a mere matter of the development of the industry; and it is simply a question of policy as to whether we shall make the steel manufacturers pay somewhat more for the chrome that they use in producing steel or whether we will allow it to lie undeveloped for some period, until conditions change and it becomes profitable to mine it; that is all.

Mr. SMOOT. The industry has not been developed, and I do not remember anybody coming before the committee and asking for it.

Mr. WALSH of Montana. I think that is so. I have not heard very much from the Montana producers; but the ore is there in unlimited quantities.

Mr. SMOOT. Since the Senator brought up the question I have been trying to think whether or not anyone appeared before the committee on this subject, and I can not remember whether they did or not, but I do not believe they did.

Mr. WALSH of Montana. The properties most extensively developed are in the State of California, and I suppose that California has been rather in evidence in requesting these tariff rates.

Mr. SMOOT. I do not want to say anything against the products of California, but I really must say that all that is produced in California is very unsatisfactory.

The PRESIDING OFFICER. The Secretary will state the amendment of the committee in paragraph 382, on page 86.

Mr. SMOOT. Mr. President, I send to the desk an amendment to this paragraph. I will ask the Senator from North Carolina to follow the amendment that I have offered to paragraph 382, and if he does not understand it I will explain it.

Mr. SIMMONS. I have not seen it.

Mr. SMOOT. It will be read now from the desk.

Mr. SIMMONS. Before it is read I want to ask the Senator from Utah why we can not now proceed with the sugar schedule and dispose of that finally.

Mr. SMOOT. All that we could dispose of would be the candy amendment. The Senator from Rhode Island [Mr. GERRY] stated to me that he was going to leave the Chamber, as he had something to do, and that when we got through with these items he would ask to take up the other one, and I told him it would be perfectly satisfactory to me.

Mr. SIMMONS. I want to state frankly to the Senator that I would rather not take up these items now. I will take up this first one, paragraph 382, if the Senator insists upon it; but there are three or four following that in the metal schedule that have been passed over that relate to zinc and lead ore and various ores, that I was under the impression that the Senator from Montana [Mr. WALSH] had looked up and would present; but it seems that he and I misunderstood each other, and I am not now prepared to take those up. Of course, I can prepare myself as we go on, but it will take much more time than if the Senator will let them go over until I have had an opportunity to investigate them somewhat.

Mr. SMOOT. I do not think the Senator will object to the action proposed in the case of paragraph 386, because we take tin bars off the dutiable list at 2 cents a pound, as the House provided for it, and put it on the free list. I do not think there will be any objection on the part of the Senator to the action of the committee on that item.

Mr. SIMMONS. No; I would not ask that that particular item go over, because it is proposed to strike it out and put it somewhere else. When we get to the place where it is proposed to put it, I may want to consider it.

Mr. SMOOT. It goes on the free list.

Mr. SIMMONS. If it does, then I should make no objection to it.

Mr. SMOOT. I knew that the Senator would not.

Mr. SIMMONS. But I was speaking about paragraph 382, and then the heavier items that follow that, such as paragraph 387, which relates to bottle caps of metal, and so forth.

Mr. SMOOT. The Senator is prepared to go on now with paragraph 382, tinsel wire; is he not?

Mr. SIMMONS. Yes.

Mr. SMOOT. I ask, then, that the amendment which I have sent to the desk may be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Utah will be stated.

The READING CLERK. On page 86, paragraph 382, following the numeral "382," is it proposed to strike out down to and including the words "ad valorem," leaving the semicolon, in line 18, and in lieu thereof to insert the following:

Tinsel wire, made wholly or in chief value of gold, silver, or other metal, 5 cents per pound and 10 per cent ad valorem; lame or lahn, made wholly or in chief value of gold, silver, or other metal, 5 cents per pound and 20 per cent ad valorem; bullions and metal threads made wholly or in chief value of tinsel wire, lame or lahn, 5 cents per pound and 35 per cent ad valorem.

Mr. SMOOT. I will say to the Senator that in the rest of the paragraph there will be no changes made other than those that were made by the committee in the first instance.

Now perhaps it will be of interest to the Senator to know just what these changes are.

Mr. SIMMONS. I shall be glad to have the Senator explain them.

Mr. SMOOT. I think I can explain them very briefly.

Tinsel wire, lame, and lahn, under the House provision and under other laws, have carried the same rate of duty. There should not be the same rate upon tinsel wire that there is upon lame and lahn. Therefore the committee has now decided to make a rate on tinsel wire, and then another rate upon lame or lahn, and a still further rate upon the bullions and metal thread made wholly or in chief value of tinsel wire, lame, or lahn.

The Senator will notice that in the first place we take tinsel wire and instead of placing a duty of 10 cents per pound and 30 per cent ad valorem upon it, as the House has done, we impose upon it a duty of 5 cents a pound and 10 per cent ad valorem.

Mr. SIMMONS. That is more than cutting it in two.

Mr. SMOOT. It is half of the specific duty, and only a third of the other. Then we take lame or lahn, and instead of having the duty 10 cents a pound and 30 per cent ad valorem we impose a duty of 5 cents a pound and 20 per cent ad valorem.

Mr. SIMMONS. That is one-half in one case—

Mr. SMOOT. That is one-half of the specific duty, and two-thirds of the ad valorem.

Mr. SIMMONS. Yes.

Mr. SMOOT. Then in the case of the bullions and metal threads, made wholly or in chief value of tinsel wire, lame or lahn, instead of 10 cents a pound and 35 per cent ad valorem we cut the specific duty in two, making it 5 cents a pound. That is a better classification, taking into consideration the labor that is put upon these articles.

Mr. SIMMONS. What rate does the Senator fix on bullions?

Mr. SMOOT. Five cents a pound and 35 per cent ad valorem. Those rates correspond with the rates imposed later in the bill as reported to the Senate. It is a very much better division. The House imposed a duty of 10 cents a pound and 30 per cent ad valorem on the tinsel wire, while they imposed only 55 per cent on the ribbons, fringes, and tassels made wholly or in chief value of any of the foregoing. There was no uniformity in the duties imposed, and as this amendment is offered it balances all the items in the paragraph.

Mr. SIMMONS. Let me ask the Senator about the provision "not specially provided for," on line 22. It provides "woven fabrics, ribbons, fringes, and tassels made wholly or in chief value of any of the foregoing, 55 per cent ad valorem."

Mr. SMOOT. Those are all woven fabrics, and the others are not.

Mr. SIMMONS. Those are not changed?

Mr. SMOOT. No; those are not changed. Those are woven fabrics, and the Senator knows they are the highest type of fabrics.

Mr. SIMMONS. Mr. President, I am very much pleased that the committee has seen fit to so radically cut the House rates with reference, at least, to a part of the items contained in paragraph 382. It must be conceded with reference to these items that the imports are very heavy and the production in this country is light, most of the imports being from France.

So far as the duties reduced by the committee are concerned, I find that they are not materially different from the duties of the present law. They are slightly different, however; in some respects a little higher and in other respects somewhat lower.

I am afraid, however, that the rate imposed upon these products not specially provided for is higher than is justified, and upon the more highly finished products I think the duty of 55 per cent is too high. But those rates were not changed by the committee, and I suppose they are not subject to amendment.

Mr. SMOOT. No; not at this time.

Mr. SIMMONS. I think the rates the committee has fixed are somewhat higher, but not very substantially higher, than the rates in the present law. The subsequent rates, with reference to which there is no proposed amendment and which will be open to amendment hereafter, I think are entirely too high.

Mr. SMOOT. The Senator knows that these articles are used by only a very few people, and the committee thought that anybody who could afford them could pay this rate of duty.

Mr. SIMMONS. We need not discuss that now. There is nothing before the Senate except the amendment, and I am ready for a vote upon it.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the committee was, on page 86, line 19, to strike out the word "ribbons" and the comma.

The amendment was agreed to.

Mr. KING. May I inquire what item that is?

Mr. SMOOT. This is the tinsel wire, lame or lahn paragraph.

Mr. SIMMONS. We can vote on that. There are several amendments, but I will state to the Senator from Utah that the committee amendments in one instance reduce the rate to one-half the House rate and in the other instance to one-third of the House rate; then, in the next instance, to one-half the House rate and two-thirds of the House rate. By a comparison I have found they are not materially different from the rates in the present law, and I have no objection to them.

Mr. KING. While I have the floor, I call the attention of my colleague to the fact that on yesterday I mentioned to Mr. Walker and to the Senator from North Dakota [Mr. McCUMBER] that I would be compelled to be absent from the Chamber most of the time to-day. The naval appropriation bill will be brought up to-morrow, and we may take several days in the discussion of it. I have not had a chance even to read it through. I asked as a favor that the schedules which I was to look after, involving certain metals, might be passed over to-day, and they assented to it.

Mr. SMOOT. That was as to zinc in blocks?

Mr. KING. Yes; and if those may go over, I would like to return to my office to resume the work which I am compelled to do with respect to the measure coming up to-morrow.

Mr. SMOOT. Will the Senator allow us to finish with these amendments?

Mr. SIMMONS. Mr. President, I wish to say, in this connection, that I was under the impression that the Senator from Montana [Mr. WALSH] would look after those articles, but I find that it was the Senator from Utah instead of the Senator from Montana who has them in charge. I have not myself examined them, because I expected other Senators to look after them, and I shall be very glad if the Senator in charge of the bill will let those go over to accommodate the convenience of the junior Senator from Utah.

Mr. McCUMBER. Very well.

The next amendment of the committee was, on page 86, line 20, after the word "wire" and the comma, to insert the words "metal thread" and a comma; on line 20, after the word "lahn" and the comma, to insert the words "or of tinsel wire, lame or lahn"; on line 23, after the word "fabrics," to insert the word "ribbons" and a comma; and on line 23, after the word "made," to insert the words "wholly or in chief value," so as to make the paragraph read:

PAR. 382. Tinsel wire, lame or lahn, made wholly or in chief value of gold, silver, or other metal, 10 cents per pound and 30 per cent ad valorem; bullions and metal threads made wholly or in chief value of tinsel wire, lame or lahn, 10 cents per pound and 35 per cent ad valorem; beltings, toys, and other articles made wholly or in chief value of

tinsel wire, metal thread, lame or lahn, or of tinsel wire, lame or lahn and india rubber, bullions, or metal threads, not specially provided for, 45 per cent ad valorem; woven fabrics, ribbons, fringes, and tassels, made wholly or in chief value of any of the foregoing, 55 per cent ad valorem.

The amendment was agreed to.

Mr. SMOOT. I ask that we now take up paragraph 386.

The amendment of the committee was, on page 87, beginning with line 15, to strike out paragraph 386, as follows:

PAR. 386. Tin in bars, blocks or pigs, and grain or granulated and scrap tin, 2 cents per pound.

Mr. SIMMONS. It is my understanding that in striking that out it is with a view of putting those articles on the free list and that this item will not reappear in some other dutiable section?

Mr. SMOOT. It will not. It goes to the free list, and is specifically provided for on the free list.

The amendment was agreed to.

Mr. McCUMBER. Now we can go to paragraph 504. Possibly we can find somebody present who will not ask that that go over.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota?

Mr. SIMMONS. I have no objection. There is no amendment in that paragraph except striking out the words "or unmanufactured," and we might as well dispose of it.

The amendment was, on page 96, line 23, after the words "natural state," to strike out "or manufactured,"; so as to make the paragraph read:

PAR. 504. Maple sugar and maple sirup, 4 cents per pound; dextrose testing not above 99.7 per cent and dextrose sirup, 1½ cents per pound. Sugar cane in its natural state, \$1 per ton of 2,000 pounds; sugar contained in dried sugar cane, or in sugar cane in any other than its natural state, 75 per cent of the rate of duty applicable to manufactured sugar of like polariscopic test.

The amendment was agreed to.

Mr. SIMMONS. There are certain changes reported in paragraph 505 which are mere eliminations.

The PRESIDING OFFICER. The Secretary will report the amendment.

The amendment was, on page 97, line 6, after the word "mannose," to strike out "melittitose" and to insert "meleztitose"; and in line 7, after the word "other," to strike out "of the higher saccharides required for scientific purposes" and to insert "saccharides"; so as to make the paragraph read:

PAR. 505. Adonite, arabinose, dulcitol, galactose, inositol, inulin, levulose, mannitol, d-talose, d-tagatose, ribose, melibiose, dextrose testing above 99.7 per cent, mannose, meleztitose, raffinose, rhamnose, salicin, sorbitol, xylose, and other saccharides, 50 per cent ad valorem.

The amendment was agreed to.

Mr. McCUMBER. I understand the Senator from Rhode Island [Mr. GERRY] desires to have the next paragraph passed over.

Mr. SIMMONS. Mr. President, I make the point of no quorum. We will see if I can not get that Senator here.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Borah	Harris	Nelson	Shortridge
Bursum	Hitchcock	Newberry	Simmons
Calder	Johnson	Nicholson	Smoot
Cameron	Jones, Wash.	Norbeck	Spencer
Capper	Kellogg	Norris	Sutherland
Culberson	Kendrick	Oddie	Swanson
Curtis	Keyes	Overman	Townsend
Dial	Ladd	Owen	Trammell
Dillingham	Lenroot	Phipps	Underwood
Edge	McCormick	Poinceter	Wadsworth
Elkins	McCumber	Pomerene	Walsh, Mass.
Ernst	McKinley	Rawson	Willis
Fernald	McNary	Sheppard	

The PRESIDING OFFICER. Fifty-one Senators having answered to their names, a quorum is present.

Mr. McCUMBER. Mr. President, the Senator from Rhode Island [Mr. GERRY], I think, did not respond to the quorum call just now.

Mr. SIMMONS. He is on his way and will be here in a few minutes. I suggest, if the Senator has no objection, that we take up the tobacco schedule.

Mr. McCUMBER. The Senator from Connecticut [Mr. McLEAN] is not here, and he desires to be present when that paragraph is taken up.

Mr. SIMMONS. May I not suggest to the Senator from North Dakota that we might go to paragraph 601, wrapper tobacco? That is not the one in which the Senator from Connecticut is interested, I believe. I think it is paragraph 602 in which the Senator from Connecticut is especially interested.

Mr. McCUMBER. Paragraph 601 is wrapper tobacco.

Mr. SIMMONS. It is the schedule in which certain wrapper tobacco is advanced from \$2.10, the rate fixed by the House, to \$2.35, the rate fixed by the Finance Committee. The House rates were about the same, I think, as those in the emergency tariff law, and all the Senate committee rates are higher. I do not think the other paragraphs are affected by the change in paragraph 601.

Mr. McCUMBER. Mr. President, I think the committee have been a great deal more considerate of the convenience of the several Senators who desire to be present than those Senators have been of the convenience of the committee to dispose of the items in a somewhat logical order. We have yielded so much that it seems that no one is ready to take up a number of articles that ought to be disposed of before we reach the agricultural schedule. In all earnestness I want to plead with Senators that they be ready, after we get through with the naval appropriation bill, to go on with the consideration of the tariff bill. It is far more convenient for individual Senators to be prepared to take up a schedule when it is reached than it is for the committee, which must sit every morning preparing its work for the day, and then throw that work entirely aside to take up something that it has not considered as it desired to do before the final vote.

I will ask that we now go to the agricultural schedule, on page 99.

Mr. SIMMONS. May I ask the Senator from North Dakota if we have disposed of paragraph 375, metallic magnesium, which I asked the other day should go over?

Mr. McCUMBER. No; that has not been disposed of. There are some Senators who have asked that it may be passed over, and I have agreed to do so.

Mr. SMOOT. I will say to the Senator from North Carolina that there has been a request also made as to what the price of the article really is to-day, not what it was last August, and that information is being collected for the committee and more than likely will be ready in a very short time.

Mr. SIMMONS. Very well.

Mr. McCUMBER. If we can return to paragraph 701, Mr. President, we will give some consideration to the cattle, the sheep, and the goats.

The PRESIDING OFFICER. The first amendment in Schedule 7 will be stated.

The READING CLERK. Schedule 7, agricultural products and provisions, paragraph 701, cattle, on page 99, lines 6 and 7, the committee proposes to strike out "less than 2 years old, 1 cent per pound; 2 years old or over, 1½ cents per pound," and insert "weighing less than 1,050 pounds each, 1½ cents per pound; weighing 1,050 pounds each or more, 2 cents per pound," so as to read:

Cattle weighing less than 1,050 pounds each, 1½ cents per pound; weighing 1,050 pounds each or more, 2 cents per pound.

Mr. SIMMONS. Mr. President, I am sure a number of Senators desire to be heard upon this particular paragraph. One Senator was talking to me about it this morning. Of course, we have reached the paragraph rather unexpectedly, and the Senators who are interested in the whole schedule generally are out of the Chamber. I make the point of no quorum so that I may have them called in and notified that the agricultural schedule is before the Senate.

The PRESIDING OFFICER (Mr. ODDIE in the chair). The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Elkins	Lenroot	Shortridge
Borah	Ernst	McCumber	Simmons
Broussard	Fernald	McNary	Smoot
Bursum	Gerry	Nelson	Spencer
Calder	Harris	Newberry	Sterling
Cameron	Hitchcock	Nicholson	Swanson
Capper	Johnson	Norbeck	Townsend
Caraway	Jones, N. Mex.	Norris	Wadsworth
Culberson	Jones, Wash.	Oddie	Walsh, Mass.
Curtis	Kellogg	Overman	Walsh, Mont.
Dial	Kendrick	Pomerene	Watson, Ind.
Dillingham	Keyes	Rawson	Willis
Edge	Ladd	Sheppard	

The PRESIDING OFFICER. Fifty-one Senators have answered to their names. There is a quorum present.

Mr. McCUMBER. Mr. President, just before the call for a quorum the Senator from Rhode Island [Mr. GERRY] entered the Chamber. He now desires to go on with the paragraph relating to confectionery, and I therefore ask that we may return to that paragraph.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GERRY. Does the Senator from North Dakota desire to have considered the amendments in paragraphs 504 and 505?

The PRESIDING OFFICER. The amendments to paragraphs 504 and 505 have been agreed to. The Secretary will state the committee amendments in paragraph 506.

The READING CLERK. On page 97, in paragraph 506, line 10, before the word "sugar," the Committee on Finance proposes to strike out the word "on."

The amendment was agreed to.

The next amendment was, in the same paragraph, on page 97, line 11, before the words "per cent," to strike out "30" and insert "40," so as to read:

PAR. 506. Sugar candy and all confectionery not specially provided for, and sugar after being refined, when tintured, colored, or in any way adulterated, 40 per cent ad valorem.

Mr. GERRY. Mr. President, I desire to offer an amendment to the committee amendment. On page 97, paragraph 506, line 11, I move to strike out "40" and to insert in lieu thereof "23."

The PRESIDING OFFICER. The amendment proposed by the Senator from Rhode Island will be stated.

The READING CLERK. On page 97, paragraph 506, line 11, before the words "per cent," it is proposed to strike out the numeral "40" and to insert in lieu thereof the numeral "23," so as to read:

or in any way adulterated, 23 per cent ad valorem.

Mr. GERRY. Mr. President, this paragraph differs from the similar paragraph in the Underwood-Simmons law of 1913. Under that law on candy valued at 15 cents per pound or less the rate was 2 cents per pound; if valued at more than 15 cents a pound, the rate was 25 per cent ad valorem. Under the bill as it comes to us from the other House all candy and confectionery is proposed to be admitted at a flat rate of 30 per cent ad valorem, that rate, of course, being based on American valuation. The bill as reported by the Senate committee proposes a rate of 40 per cent ad valorem, foreign valuation, which would be a lower duty. For the higher grades the rates are ad valorem, both in the pending bill and in the Underwood-Simmons law. Under the Underwood-Simmons law the rates were 25 per cent as against 30 per cent as proposed in the House bill. I think it is only fair to say, though, that in the House bill the rate, as I have stated, is based on the American valuation and is, therefore, compared to the 25 per cent ad valorem rate of the Underwood law, considerably higher than the mere difference in percentage would indicate.

Mr. President, as nearly as I can figure it, the duty of 2 cents per pound is equivalent practically to 23 and a fraction per cent, as against 40 per cent proposed by the Senate Finance Committee.

The Tariff Summary shows that the products of the establishments engaged in the manufacture of confectionery are valued at \$447,800,000. The exports increased during the war from \$1,200,000 to an annual average of \$1,800,000. The imports for 1918, the table which I hold in my hand shows, were valued at about \$27,000; in 1919 they were valued at \$195,000; in 1920 they were valued at \$371,000; and in 1921 they were valued at \$122,000. I submit that an industry such as this, the exports of which so largely exceed in value its imports from any source, needs no such protection. The industry is well on its feet; it has a tremendous market within the country, and to impose such a duty on the commodity as this simply means to give the domestic producer an additional advantage and an opportunity to charge the general public more. I think the figures are so clear that it is unnecessary to say anything more on the schedule.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Rhode Island to the amendment reported by the committee.

Mr. BROUSSARD. Mr. President, I ask that the amendment proposed by the Senator from Rhode Island to the amendment of the committee may be again stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The READING CLERK. On page 97, paragraph 506, line 11, before the words "per cent" the Committee on Finance proposes to strike out the numeral "30" and insert in lieu thereof the numeral "40." The Senator from Rhode Island [Mr. GERRY] proposes to insert in lieu of the numeral "40" the numeral "23," so that the paragraph will read:

PAR. 506. Sugar candy and all confectionery not specially provided for, and sugar after being refined, when tintured, colored, or in any way adulterated, 23 per cent ad valorem.

Mr. BROUSSARD. Mr. President, I was out of the Chamber when this question came up. I have proposed an amendment to paragraph 506. I do not think at this time the amendment would be in order; but I wish to make a brief statement.

In this instance there is no reason to reduce the duty proposed by the committee, because the duty proposed by the committee is totally inadequate. It will be observed, of course, that under paragraph 501, which is not proposed to be amended by the Finance Committee, there is a duty proposed of 116/100 cents per pound on all sugar testing not above 75 degrees, and for each additional sugar degree shown by the polariscopic test, four one-hundredths of 1 per cent per pound additional, and fractions of a degree in proportion. If paragraph 506 were to be permitted to remain as the committee has reported it, it would make it possible, by merely coloring sugar with a harmless substance, to import it on a basis of 40 per cent ad valorem and escape the duty imposed by paragraph 501 upon sugar.

I wish also to state at this time that the words "and sugar after being refined, when tintured, colored, or in any way adulterated," have never been applied to any previous rate on sugar or candy, and I believe that they have been incorporated in paragraph 506 without the committee ever realizing the import of the words proposed.

As I have stated before, even under a tariff for revenue bill it was never intended that any sugar merely because of being colored or adulterated with some other substance should be imported here at a lower rate of duty than that imposed on sugar itself. There have been, however, in previous acts duties corresponding to the now proposed duty on sugar, candy, and confectionery.

Mr. GERRY. Mr. President, will the Senator yield to me?

Mr. BROUSSARD. I yield.

Mr. GERRY. If I understand the Senator's contention correctly, he is not objecting so much to the rate I offer with respect to sugar candy and confectionery, but the objection is that sugar may come in under this amendment?

Mr. BROUSSARD. That was my great objection; but at the same time, when a certain rate of duty is imposed on a basic article, we should try in a fair way to put a compensatory duty on the product manufactured from the basic article in order to protect that product, and I am not yet satisfied that 40 per cent is adequate when it is considered that the intention of the framers of the bill is to put a duty of 2 cents a pound on sugar. If 2 cents a pound on sugar is considered a reasonable rate—so far as I am concerned it is not a reasonable rate, because I want a larger rate if I can get it, and I expect to try to get it—

Mr. CARAWAY. We will compromise on one.

Mr. BROUSSARD. We do not have to compromise on one, because that is the Democratic rate; but 40 per cent, I think, would not compare with a 2-cent rate per pound on sugar, because there is some candy that has had no labor added, just a little ribbonlike coloration around it, and is, then introduced into the country. If the 2-cent rate be finally agreed to in this bill, that 2 cents compared to the cost of production in Cuba would be 100 per cent tariff, and a 40 per cent rate on candy would not be adequate to protect; and if I had any complaint to offer about that I would make it 50 per cent as a minimum, anyway.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island [Mr. GERRY] to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The READING CLERK. On lines 12, 13, and 14 it is proposed to strike out:

The value of the immediate coverings other than the outer packing case or other covering shall be included in the dutiable value of the merchandise.

The amendment was agreed to.

Mr. SMOOT. Mr. President, I ask now that we return to paragraph 503; and I will state to the Senator from Louisiana that we ought now to agree to the amendment in paragraph 503 striking out "sirups" and putting in "sugar sirups, not specially provided for."

Mr. BROUSSARD. What page is that?

Mr. SMOOT. That is on page 96; and that will clean up all of the committee amendments in this schedule.

I will ask that the committee amendment be agreed to now.

Mr. BROUSSARD. That is the "sugar sirups, not specially provided for"?

Mr. SMOOT. Yes; because this will be the result: I should like to have it cleaned up, and then when we reach the sirups

that have already been placed upon the free list if that is not agreed to we can offer an amendment to reject this one, but let us clean up this schedule now as far as the committee amendments are concerned.

Mr. BROUSSARD. With the understanding that if this is agreed to, it will not prejudice—

Mr. SMOOT. I will assure the Senator that it will not, because when the bill reaches the Senate any kind of amendment can be offered to it.

Mr. BROUSSARD. Then if, when we reach paragraph 1615a, that is not agreed to—

Mr. SMOOT. Then this would not amount to anything anyhow, because it would not be provided for anywhere else.

Mr. BROUSSARD. I merely wanted to put it so we may have the understanding in the Record that if we should disagree to paragraph 1615a then of course the committee would support the cancellation of this.

Mr. SMOOT. Yes.

Mr. BROUSSARD. Then I have no objection to the agreement.

The PRESIDING OFFICER. Is there objection to returning to paragraph 503? The Chair hears none. The amendment of the committee will be stated.

The READING CLERK. In paragraph 503, on page 96, line 13, it is proposed to strike out "sirups" and insert "sugar sirups, not specially provided for," so as to make the paragraph read:

PAR. 503. Molasses and sugar sirups, not specially provided for, testing not above 48 per cent total sugars, twenty-five one-hundredths of 1 cent per gallon; testing above 48 per cent total sugars, two hundred and seventy-five one-thousandths of 1 cent additional for each per cent of total sugars and fractions of a per cent in proportion.

Mr. GERRY. Mr. President, this paragraph, 503, has a different wording and is based on a different test from that in the Underwood bill. Under this bill, the test is on total sugars. Under the Underwood bill and under all former bills, as I understand, the test was a polariscopic one. Possibly it might clear up some of the debate that took place yesterday and today to show the difference that that makes in the report of the sugar content.

I shall read from the hearings, where there is a table on page 2356 in which it is shown that sucrose by polariscope ranged from 22 to 23 per cent as compared with sucrose by the Clerget method, which would average between 32 and 40 per cent. Reducing sugars would be between 14 and 28 per cent, and total sugars by polariscope would be from 40 to 54 per cent, as compared to total sugars by the Clerget method between 48 and 62 per cent.

As we are only considering now the committee amendments, I shall not take up the time of the Senate in discussing this paragraph more fully, or in offering amendments. I am entirely in favor of what the committee proposes in the amendment now before us, where it says "molasses and sugar sirups not specially provided for," and then it provides in paragraph 1615a that molasses testing above 56 per cent total sugars not imported to be commercially used for extraction of sugar, or for human consumption, shall be put on the free list.

Mr. President, this was done so that the makers of cattle feed should have the advantage of receiving the molasses that was used in that feed free of duty, and I presume with the idea of doing something for the farmers. Molasses has done much to build up cattle feed, and to help the farmer both to fatten his stock and to produce greater quantities of milk. I know that in my own State it is very largely used by farmers in feeding their cows, and that it is really one of the necessities of farm feed. The use of this blackstrap molasses really acts not only as a fattener but also as an appetizer for the cattle.

While I am very heartily in favor of doing this for the farmer, it does seem to me that there is somewhat of a paradox in the bill, because while the farmer is allowed this advantage in order to have the feed for his cattle made lower by the molasses that his cattle get entering free, yet if he wants to use the molasses himself on his own table he must pay a duty.

Mr. BROUSSARD. Mr. President—

The PRESIDING OFFICER (Mr. KELLOGG in the chair). Does the Senator from Rhode Island yield to the Senator from Louisiana?

Mr. GERRY. I yield, with pleasure.

Mr. BROUSSARD. In the Senator's last remark, is he criticizing the committee for permitting molasses to be used for human consumption to come in under a tax, while giving it to cattle free?

Mr. GERRY. I was just calling attention to that fact.

Mr. BROUSSARD. Now, coming back to the statement which the Senator has just made, that some of the people in his State are interested in having this blackstrap molasses come in free, are they dairy people, or are they feeders?

Mr. GERRY. They are dairymen.

Mr. BROUSSARD. Do they want to have their butter and their other dairy products put in competition with the world and have no duty placed against them?

Mr. GERRY. Personally, I do not think duty on butter will have the effect in my State of increasing the profit to the farmer, and undoubtedly this will be true in other States.

Mr. BROUSSARD. The Senator believes it will not?

Mr. GERRY. I do.

Mr. BROUSSARD. Then, does the Senator think that those who are asking that feedstuffs be put in open competition with the world are advocating that their own products be placed in open competition with the world?

Mr. GERRY. I do not think I get the Senator's question.

Mr. BROUSSARD. In other words, are the dairy people who would like to have blackstrap molasses come in free willing and asking that their own products of the dairy be put in open competition with the world?

Mr. GERRY. I can not speak for the dairy people of the country. I do not know what they are asking. The Senator from Rhode Island is speaking simply his own views.

Mr. BROUSSARD. But the Senator from Rhode Island will concede that if the dairy people want a protection for their dairy products, they should be willing to accord a very small protection to the people who grow the feed with which they feed their stock and produce these dairy products.

Mr. GERRY. I think that is a question for the dairy people to answer, and involves a discussion of the whole theory of protection, and on this question the Senator from Rhode Island and the Senator from Louisiana differ so much in their ideas of the principle upon which this bill is based that I am afraid we would not get a meeting of the minds.

Mr. BROUSSARD. I was not trying to elicit the opinion of the Senator from Rhode Island on this particular question. I was simply trying to get his judgment as to whether or not a dairyman who wants to have his products protected should ask for free materials to convert into the products which he wants protected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. McCUMBER. I believe we are now brought to the consideration of the agricultural schedule.

Mr. GOODING. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll. The roll was called, and the following Senators answered to their names:

Ashurst	Gooding	Myers	Smoot
Broussard	Harris	Newton	Spencer
Bursum	Hitchcock	Newberry	Sterling
Calder	Johnson	Nicholson	Sutherland
Cameron	Jones, N. Mex.	Norbeck	Townsend
Capper	Jones, Wash.	Norris	Underwood
Caraway	Kellogg	Oddie	Wadsworth
Curtis	Kendrick	Overman	Walsh, Mass.
Dial	Keyes	Phipps	Walsh, Mont.
Dillingham	Ladd	Poindexter	Watson, Ind.
Edge	Lenroot	Pomerene	Willis
Ernst	McCormick	Sheppard	
Fernald	McCumber	Shortridge	
Gerry	McNary	Simmons	

The PRESIDING OFFICER. Fifty-three Senators having answered to their names, a quorum is present.

Mr. McCUMBER. Mr. President, every day or so the precious hours which ought to be employed in a just and fair discussion of the items on which duties have been levied in this bill have been spent in reading into the Record editorials from those papers which represent the importing industries of the country. I have been requested by the committee to meet the arguments which have been made by the press. So far we have kept silent as to the profits that are made by the great importing houses of the country and those who are now so strenuously engaged in attempting to destroy the purposes of the bill.

I have before me upon the desk a number of articles. I shall have occasion to show what is paid for those articles in foreign countries and what the American consumer is charged for the same articles in the United States; but before I do that I want to lay the foundation for the presentation of some of these matters, and I, or perhaps other members of the committee, will present a number of other articles. I think we have now in our possession between two and three hundred of them, and we will try to select those articles used most commonly by the American people.

If those editorial pages presented any real argument on any one of the items under discussion we might excuse the verbosity of their long essays. But while they criticize and condemn, not one of them attempts to really analyze a single item in this bill.

The time spent by some of them in cussing the chairman because he fails to be the representative of New York, or what they denominate the great financial interests of the country, it seems to me might be spent to better advantage. The chairman of the committee is but 1 of the 16 members who constitute the Finance Committee, and but 1 of the 10 Republican members who, of course, assume the responsibility of presenting what the American people by their decisive vote in 1920 demanded that we should present.

On the Republican side of the committee I think it can truthfully be said that there is represented every view, from the very lowest tariff that could be called a protective tariff at all to a very high protective policy. And if those papers desire to eliminate what influence the chairman, coming from a purely agricultural section of the country, may have in the determination of tariff schedules—if they feel that his life and business have not brought him into sufficiently close contact with what they consider the great financial interest of the country—and they seem to think that the banking and the importing interests are about all that need to be considered—I think I can most properly call their attention to the fact that the Republican side is still splendidly represented in this Finance Committee by the Senator from New York [Mr. CALDER], by the Senator from New Jersey [Mr. FREELINGHUYSEN], by the Senator from Connecticut [Mr. McLEAN], by the Senator from Vermont [Mr. DILLINGHAM], all representatives of both the great manufacturing and the importing interests of the East; by the Senator from West Virginia [Mr. SUTHERLAND] and the Senator from Indiana [Mr. WATSON], representing great mining and manufacturing interests; by the Senator from Wisconsin [Mr. LA FOLLETTE], by the Senator from Kansas [Mr. CURTIS], and by the Senator from Utah [Mr. SMOOR], all representing agricultural States. And I would like to ask these papers, these representatives of the great department stores which are so deeply interested in importations, if it would be possible for them to select any group of representatives who could better represent all the divers interests of the United States—manufacturing, agricultural, mining, and every other industry—than those who constitute the Republican side of the Finance Committee?

These papers know as well as I do that the interests of New York and New Jersey, of Pennsylvania, of Pittsburgh, and Chicago are represented not only by some of the most able Senators in the Senate but also by those who are well acquainted with every great financial and industrial interest. The inconsistency of this so-called Republican press is that while it supports these Senators as able representatives of their States, it nevertheless, at the behest of these great importing interests, condemns the very men it supports as its representatives. More than this, while it ardently supports the President of the United States, it assails those policies for which he stands and which he reasserts on every occasion.

The great metropolitan press of the country has it in its power to do very much to bring about a revival of business in the United States. It has it in its power to do very much to destroy American industry, upon which alone such revival must be predicated. And when it stops to recall that more than 90 per cent of all our trade is trade with each other it ought to recognize the importance of sustaining all of our American industries, to the end that each and every individual shall have profitable employment to enable him to purchase the product of his neighbor, and that none of them can have that profitable employment if the foreigner is allowed to supply an undue proportion of the American trade or if in order to maintain our home markets with each other we must reduce the wages of employees to more closely approach the wages of the foreign labor.

So I have asked these papers to furnish the committee with real facts and figures to demonstrate that it has made a rate too high or too low, or that its compensatory duties have not been worked out with proper mathematical precision.

I can assure them that if they will send anything to the committee to demonstrate that it has made an error, the committee will be more than pleased to give further consideration to the rate of duty on any item in this bill. We not only have had in the consideration of this bill the assistance of the most able of our Senators, some of whom I am certain are far better equipped with general information on tariff matters than any of these newspaper critics, but we have also had with us during all the period of our investigation and even up to the present time the assistance of the very best tariff experts the departments could furnish us, the very best information that the Tariff Commission could give us. Among those experts we have had those of the Democratic as well as of the Republican faith. They have furnished us with facts, figures, and estimates, and their calculations, when called for, have always

been made with mathematical accuracy, irrespective of political belief. There has never been any disagreement among these experts on the facts in any case, and I submit to the Senate and to the country in all good faith, is not the careful and deliberate judgment, based upon such unbiased evidence by Senators representing every section of the country, more reliable than the mere capricious condemnation of those whose opinion must be colored by the interest of those from whom they receive their revenues?

If these metropolitan papers want to be fair to the American people, I invite them to take a hundred or more of the leading articles which are imported into the United States in competition with comparable articles manufactured in the United States; let them put in one column just what the great department store pays for these articles in a foreign country and what it sells them for at retail in this country, with its percentage of profit, and in another column just what it costs the American manufacturer, with his higher wages, ranging often from five to ten times as much as the foreign wages, and what he sells his product for in the American market, with his percentage of profit.

While it is true that such a table would astonish the American public, it is equally certain to my mind that it would convert them all into ardent protectionists. They would insist that the importer who purchases an article for \$1 abroad and forces them to pay him \$10 for that article should at least pay the Government 50 cents for this privilege of fleecing the people out of \$8.50.

I am not condemning or criticizing people because they want to buy an article as cheaply as they can and sell it at as big a profit as possible. That is a part of our selfish human nature. But I do think they ought not to use their influence over the press in a vicious fight to destroy the American manufacturer, whose profits on the turnover are not one-tenth of what the importers receive.

I have here on my desk some of the advertisements appearing in a New York paper. I pick up as a fair illustration the New York Herald of May 4, 1922, and I find in big headlines this advertisement:

An extraordinary sale of \$12,000 worth of English luggage at liberal savings—the remaining stock on hand of an importer about to retire from business. Every piece is perfect and of a quality that will appeal especially to those who have a penchant for fine luggage.

Here is a cut of an imported English suit case, a very plain-looking case, with a checked lining. Underneath the cut we find the following: "Regularly \$40," but it is to be sold at a great reduction—at \$25.95. Of course, they do not say what they paid for this suit case. I know that but a very few years ago you could buy at retail in the West such a case for about \$6, and that is assuming that it was made of all leather, made of "tough bull hide found in the pit where the tanner died." You can make a fair guess of about what the wholesale price of this suit case must have been in England. They say they have been selling it for \$40.

Mr. President, a short time ago I leased a neat eight-room, two-story dwelling house in my home town for \$40 per month, \$480 a year. On account of recent paving, I paid a tax and insurance of about \$345. That left me \$135. So for a whole year's rent of this little home I could become the proud possessor of three of these imported suit cases. And the house that imposes that outrageous charge against the American consumer—that probably sold that suit case for \$30 more than it paid for it—is damning a Republican Congress because it dare suggest that they should pay a dollar or two import duty.

I find that kit bags of the same material were selling regularly at from \$40 to \$45. I wish that the American purchasing public could cast their eyes upon the invoiced price of this suit case and this bag. Mr. President, I have before me some evidence along this line, and in the light of such evidence your 30 per cent ad valorem and your 60 per cent ad valorem will be as a gnat to an elephant compared with the mighty percentage which measures the scale of difference between the importing and selling prices of these articles and which the American people pay.

Now, when such enormous profits are made and when the American public is paying for these enormous profits, are we committing a crime if we say that the American importer shall pay a few pennies or a few nickels out of such immense profits for the right to make these profits in the United States?

I have here an advertisement from the Boston Herald advertising imported articles. It states that these articles are imported from Hungary, Switzerland, France, Ireland, Italy, Belgium, England, Porto Rico, Japan, Czechoslovakia. You can imagine at what prices these articles were purchased in Czechoslovakia, where men receive from 10 to 20 cents a day and women from 40 to 60 cents a week. We know that because of

the condition in that country everything is produced at a lower cost than ever before; and then when we measure these wonderful retail prices of to-day with what they were before the war in this country, we can get some idea of the mighty profits of this importer.

Recently there came into my hands a letter sent by B. Russell Herts, president of the Herts Bros. Co., of New York, in regard to a European antique furniture pool. Mr. Herts, according to this letter, is now in Europe making purchases for this pool. These are to be sold to the American public in October at such inflated prices that the speculators and investors in the pool are assured 300 per cent profit within six months. I am going to quote just two paragraphs of this letter.

Mr. CARAWAY. Mr. President, may I ask the Senator a question right at that point?

Mr. McCUMBER. I will say to the Senator that I would like to have this matter condensed, and if he would just as soon defer his question I shall be obliged to him.

Mr. Herts says:

As examples of purchases that have been made abroad during the past six months which have afforded unusual profits, we may recite the experience of one dealer from New York who found a number of beaded bags in Berlin which he purchased for 25 marks each, or about 10 cents, which were afterwards sold in this country for \$15 each.

Think of it, Mr. President, a beaded bag purchased for 10 cents and retailed in this country by the importer for \$15, an increase of 15,000 per cent. And these are the men who are condemning this tariff bill because it seeks to provide that the man who makes those enormous profits, the man who buys a beaded bag for 10 cents and sells it for \$15, shall pay 6 cents import duty.

Let me read the next paragraph:

In the line of interior decorations is the purchase of various articles, such as ornate mounted commodes, which cost \$25 in Europe and were retailed for \$250 in this country. The duty on such articles, if modern, is only 15 per cent, and if antique nothing at all. Similarly, tapestries have been brought to this country without duty and sold at more than ten times their initial cost.

Could not the great metropolitan papers do more for the interest of the American people if they would use their columns in calling attention to these colossal frauds against the Treasury and against the people of the country than by condemning the attempt of Congress to collect a very small sum as duty upon these imported articles to meet the demands which are being made every day upon the American Treasury?

This letter, Mr. President, discloses in a nutshell one of the reasons for opposing this tariff bill. Mr. Herts is only one among hundreds of importers who are to-day spending millions of dollars in Europe buying everything from toys to antiques, paying for them in the cheap, depreciated paper currencies of Europe, and selling them at enormous profits to the American consumer—buying beaded bags, for example, which cost 10 cents in Berlin and are resold in New York for \$15.

With such profits is it any wonder that the great importing interests of New York and Chicago, Boston and Philadelphia should be spending vast sums of money in propaganda to defeat tariff legislation?

Is it not astonishing, under these circumstances, that the Democratic Members of the Senate, who allege that they are opposed to huge profits, should be defending these importing interests? They talk about an excess-profits tax. Here is the place to find the excess profits and here is the place to tax them.

Republican Members of the Senate who are striving to enact an American tariff bill to protect American workers and American industries are fighting this battle for the American producer. We want a tariff which will at least lessen this enormous profiteering in foreign merchandise. What manufacturer in the United States to-day is making 300 per cent within six months on anything he produces? What manufacturer is making 15,000 per cent on a single turnover?

The line between the friends and opponents of the pending tariff measure is sharply drawn. On our side are Senators who believe in protecting and safeguarding America first. We stand for American prosperity, despite the campaign of the opposition to delay tariff legislation for the benefit of Europe and Asia and the remainder of the world and a few hundred importers.

The great metropolitan newspapers to-day are attacking this bill because their prosperity, for the moment, depends upon the prosperity of their advertisers, and their advertisers are making fortunes buying cheaply abroad and selling at tremendously high prices to the American consumer. The more they make the more avaricious they grow; and so they are damning the tariff because it seeks to secure a penny out of a dollar of their huge profits, just as they are damning what they call the bonus bill because it means a little tax.

Last year, according to the business manager of the New York Times, advertisers spent \$700,000,000 in advertising in the daily and weekly newspapers of the United States. Most of this money was spent by the large department stores in the larger cities. One department store in Detroit alone spent \$600,000 with three Detroit newspapers last year. In New York City the department stores spend even larger sums. And they are all heavy importers.

And what do they advertise? I call attention to an advertisement in the New York Herald of some time ago. It reads:

All over the world, in little far-away villages in the Tyrol, in quiet corners of Bruges and Brussels, in the highlands of Scotland, and in the workrooms of the Rue de la Paix, men and women and girls are busy every day making lovely things for women here in New York.

The advertisement then goes on to say that—

This store is the gateway through which these lovely things will pass, and through which, in return, will pass money that buys food and clothes and life for the people who are at work in Europe.

Now, notice—

It is a romantic and fascinating business this, a business that brings happiness and content to those who make things for us and satisfaction to those who buy from us.

How romantic it is, Mr. President, to force a little child, whose tiny fingers have worked possibly for three weeks to make a little beaded bag over in the Tyrol, to accept, because of its half-starved condition, 10 cents for that bag! Ah, truly, Mr. President, it is romantic. And how fascinating it is to sell that bag to the American women for \$15. Ah, indeed, it is a fascinating business!

Why, then, do the New York and Boston newspapers attack the tariff bill? Why do they print articles and editorials to deceive the American people? Why do those responsible for the propaganda throw upon the moving-picture screens falsehoods, stating that tariff duties are based on the retail prices, which are from 100 per cent to 15,000 per cent greater than the foreign prices upon which the duties are levied?

In the case of the metropolitan press it is because their life-blood depends upon the revenue from their big advertisers, and their big advertisers depend for their prosperity upon the cheapness with which they can buy abroad and the high prices they can get in the American market from the American consumer.

A short time ago my colleague, the junior Senator from North Dakota [Mr. LADD] exposed the untruthful propaganda of the Washington correspondent of the New York Tribune that the tariff on hides would increase the cost of shoes \$2 per pair. The New York Tribune published on its first page deliberately because I can not conceive that they did not know better—misstatements of facts about the hide schedule and its effect upon the price of shoes. The junior Senator from North Dakota exposed and nailed these misstatements, but not one word of his reply appeared in the New York Tribune. Do the Senate or the American public need any greater proof than this that the New York newspapers are afraid to publish the truth when it hits their advertisers or their advertisers' interests?

Now, Mr. President, this is not true of the great majority of newspapers in the United States. This campaign of misrepresentation against the tariff is centered in the big cities, where the importers' advertisements dominate the newspapers. But the thousands of daily and weekly newspapers throughout the country whose prosperity depends upon American prosperity—the newspapers which serve and inform the great mass of Americans—are not thus influenced, as is evidenced by their impartial handling of tariff news and their fair editorials.

The great reservoir of democracy in this country lies in the small cities and on the farms. These people are not misled by the importers' propaganda. They know what it means. They understand the system by which the importing houses bring in foreign goods and sell at high prices in the big cities and dump the surplus into the mail-order houses. The farmers and merchants in the small towns of this country know that there is a gulf that separates the prosperity of their communities from the prosperity of those who can buy abroad in cheap money and sell in 100-cent dollars to the American consumer.

The little country merchant is compelled to buy much of his stock from these large importing stores. They sell to him for a small discount below the retail price. He gets no benefit from the cheap prices paid abroad, and if there be a surplus of these articles the country merchant finds that this surplus is being catalogued and sold in competition with him in his own territory; and if he would inform himself he would find that in many instances what are called seconds—defective products—are purchased, catalogued, and sold under his very nose.

Mr. President, I am not a pessimist; neither am I a blind optimist; but I would consider myself blind indeed if I failed to recognize any danger to our American industries, any danger to our national welfare, in the stupendous wealth and power of the great department stores of the country. We decry loudly the growth, development, and power of the gigantic industrial concerns of this country. But, Mr. President, these industries have employed, and still employ, American capital in America. These industries have given profitable employment to millions upon millions of American citizens. These industries have made America great and prosperous; but the great department stores have found of late years that they can double and treble their profits if they can purchase abroad, and so one department store can go abroad and purchase the entire year's output of a foreign factory. With their ready cash in millions they can drive a bargain more exacting than the most avaricious dreams of a Shylock. They are rapidly dispensing with the service of the old-time importer and saving the 33½ per cent commission and overhead charges of the importer.

The public has never yet received any corresponding benefits because of these cheap purchases abroad. The department-store importer has so far not attempted to drive out of business his little, tiny brother merchant in the large city, who must pay from 40 to 60 per cent more for his goods. He is not much of a competitor; and being compelled to sell his merchandise at a higher price because of higher costs, the department store is enabled to sell at the same price and thereby amass a mighty fortune because of the cheaper purchases.

I want to say to the great manufacturing industries of the country, those which are not specially favored like the iron and steel business, but those which must meet European and Asiatic conditions at a great disadvantage, "This is your battle for your life!" I want to say to every laborer employed by these industries, "This is your battle. Every dollar's worth of products purchased from abroad displaces about \$3 worth of the like products of your labor."

With every metropolitan paper, the mouthpiece of the importer who buys its advertising pages, the very foundation of the temple of protection is being undermined by this insidious propaganda. Not only are they now using the press of the country but they are also using the movies to impress their falsehoods upon the public. They well know that, as a rule, it is not necessary to add a single penny to the selling price of the article imported and sold by them. They know that they could absorb the tariff many times over and still receive an unconscionable profit. They know that this tariff is not a tax upon the consumer, and that it is but a meager tax upon the importer.

Mr. President, after these importers began their propaganda work, I asked the services of the Treasury Department through the customs branch of that department to get at the actual cost of imported articles in general use—just what they were imported at. These same articles were purchased from the stores importing them and receipts taken for the purchase price. Every article was examined and identified by the customs appraisers; and I am going to present to the Senate and to the country, so far as I can, a partial view of the most astounding profits reaped by those who have organized themselves into a propaganda, and who are now seeking to strike to death the American industries, that they may continue to amass their mighty fortunes. I am going to take these articles just as they come to me.

This cuckoo clock, which seems to be in the way, I will take first and get it out of the way. I am not going to state here from whom the purchases were made, although I have the receipts; but the foreign cost of that clock was 94 cents, and it was purchased here at retail for \$22.

Mr. WILLIAMS. How much?

Mr. McCUMBER. Twenty-two dollars. It cost 94 cents.

Mr. CARAWAY. Mr. President—

The PRESIDING OFFICER (Mr. McNARY in the chair). Does the Senator from North Dakota yield to the Senator from Arkansas?

Mr. McCUMBER. I would rather go through with these articles, but if the Senator insists I will yield.

Mr. CARAWAY. I should just like to ask the Senator if he is going to give the names of those profiteers to the Attorney General, who was out hunting profiteers the other day?

Mr. McCUMBER. I do not know of any way in which the Attorney General can reach the retail store that imports for a few cents and sells for a big price.

Mr. CARAWAY. He was spending a lot of money looking up the American profiteer and the retail merchant, and I thought he knew some way to reach these people.

Mr. McCUMBER. All that the Attorney General will have to do will be to read the RECORD to-morrow morning.

Mr. CARAWAY. No; the Senator declines to give the names.

Mr. McCUMBER. I have the names of the parties here.

Mr. CARAWAY. Will the Senator turn them over to the Attorney General?

Mr. McCUMBER. Mr. President, let me say here that never in my life have I made any kind of an argument personal, and I do not desire to criticize this store or that one. I have the name of the store importing, and the receipt from that store; but that is not what I am trying to present here. I am endeavoring to show the immense profits and what the tariff means.

If the Senate will listen to me again, the foreign cost of that cuckoo clock was 94 cents. It is invoiced at that price. The retail price was \$22. There was a spread of \$21.06 on an article costing 94 cents. The percentage of spread was 2,240 per cent. The Senate duty upon that clock would be 50 per cent ad valorem, and taking the 50 per cent from the 2,240 per cent would still leave the importer 2,190 per cent to cover his overhead charges and the cost of landing and profit.

Mr. WALSH of Montana. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Montana?

Mr. McCUMBER. I yield.

Mr. WALSH of Montana. It seems obvious, then, that the evil must be reached in some other way than by the tariff.

Mr. McCUMBER. What I am trying to show here is not the matter of the tariff; I am trying to show that these importers, using the great press of the country to condemn this tariff, are reaping enormous benefits and do not want to pay into the Treasury a penny out of their profits. That is all I am trying to show.

Mr. WALSH of Montana. I should like to ask the Senator another question.

Mr. McCUMBER. I am going to ask, after I answer this question—I will answer this one—that I may be allowed to finish, as it will take some time. I yield to the Senator.

Mr. WALSH of Montana. I wanted to ask just the significance of these items as we go along. I wanted to inquire what is the extent of the importation of these cuckoo clocks, and what is the amount of production in this country?

Mr. McCUMBER. How many?

Mr. WALSH of Montana. Yes.

Mr. McCUMBER. Oh, I do not know. Of course, there are a great many here. You see them in practically every store. All I wanted to get at was the price.

Now, if Senators will allow me, I will go on with this.

Mr. SIMMONS. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from North Carolina?

Mr. McCUMBER. Yes; I will yield once more.

Mr. SIMMONS. The Senator said that clock was sold in America for \$22.

Mr. McCUMBER. It can be bought for \$22.

Mr. SIMMONS. Can the Senator tell me the price of a comparable clock produced in this country and sold in this market?

Mr. McCUMBER. I do not know. I am not interested in that in this connection. It may be that it costs an American \$4, and it may be that it costs him \$15; I do not know. I am not now seeking to decide what this particular duty would be, but to show that the duty is such that the importer can well pay it and still have left an enormous profit.

Mr. SIMMONS. I simply wanted to know whether the Senator meant to argue that the foreign article is sold in the American market at a higher price than the comparable domestic article.

Mr. McCUMBER. I do not know whether it is or not. I assume that if they can get an American article at a very much cheaper price than this it would sell in the place of this article, but I do not know. There is a general belief that an imported article is always better, and people will often pay a higher price for it. What I want to show is that, after paying the duty provided in this bill, the importer will still have 2,190 per cent to cover his overhead expenses and his profits.

Mr. SIMMONS. The Senator did not let me finish my inquiry—

Mr. McCUMBER. I wish the Senator would allow me to go on. I have asked him to do so as a matter of courtesy, and I hope he will.

Mr. SIMMONS. Of course, if the Senator does not wish me to finish the line of inquiry I was pursuing I will not do it.

Mr. McCUMBER. I have asked that. I would try to answer the inquiry but it takes time.

I have in my hand now a beautiful little article, not a pearl necklace, but I believe the stone is called the Tecla pearl.

It has a good name in the United States, and women pay a pretty good price for it. This identical Tecla pearl necklace was imported from France for \$12.25. It was purchased at retail, I think from the importer, for \$150. It cost \$12.25; it sold for \$150. I do not know whether they threw in the box or not.

There was a spread of \$137.75. The percentage of spread was 1,124 per cent. The Senate committee duty upon that, coming in at that price, would have been 60 per cent. In other words, the man who imported that article for \$12.25 and sold it for \$150, would have been compelled to pay into the Treasury of the United States the enormous sum of \$7.35, and because we would exact that sum of him he wants to destroy this vicious bill. But that left a balance, after paying 60 per cent, of 1,064 per cent for the importer to live on.

Mr. JONES of New Mexico. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from New Mexico?

Mr. McCUMBER. I ask the Senator if he will not let me finish without further interruption.

The PRESIDING OFFICER. The Chair understands that the Senator declines to yield.

Mr. McCUMBER. I have asked that three or four times.

Mr. JONES of New Mexico. I understand; but it was a very modest question I wanted to ask.

Mr. McCUMBER. However, the Senator is always so pleading that I am going to listen to him.

Mr. JONES of New Mexico. I just want to ask if the Senator has the names of the purchasers of those articles?

Mr. McCUMBER. Oh, yes.

Mr. JONES of New Mexico. Would he mind giving them to the Senate?

Mr. McCUMBER. I do not desire to do that. If any Senator desires he can get the name of the party who made the purchase, the store from which it was purchased, the invoice, and the receipt, so that he can get all the facts in connection with the matter; but there is no use bringing in the names of stores, and importers, and so on, except to say that we have carefully guarded against any possible mistake.

I will take these samples as they lie here before me. Here is an article the duty on which we discussed a short time ago. Here are a half dozen tableknives, the ordinary kitchen tableware, with solid handles. Senators think it is imposing upon the housewife when we put a duty upon these articles; but let us see whether the importer imposes upon her in any way.

The cost of each of these is 2.75 cents. The retail price is 30 cents each. The spread is 27½ cents. The profit is 991 per cent. The spread would be 752 per cent. That would give a balance of 239 per cent. The duty on this is 45 per cent ad valorem.

I have here a barber's clipper, used in all the barber shops of the country. We place a duty upon it. According to the invoice we have, this article was imported for 13 cents. It retails at 85 cents. That leaves a profit of 554 per cent. The duty is 20 cents each and 32 per cent ad valorem, and still the importer would have a profit after paying all duties of 350 per cent.

Another article is linen napkins. These have yet to be cut apart. The foreign cost was \$12.20 per dozen. They are retailed at \$65 per dozen. It is good linen, and the napkins retail at \$65 per dozen upon a cost of \$12.20 per dozen. That leaves a spread of \$52.80 a dozen. The percentage of spread is 432 per cent. The Senate duty is 50 per cent ad valorem, which would still leave after paying the little 50 per cent ad valorem 382 per cent for profit and overhead charges.

This is an ordinary globe, which we use for electric lights, an electric-light bulb, I presume, of the quality used in our homes. The foreign cost of that is 5.3 cents. The retail price is 30 cents. The spread, therefore, is about 25 cents, and that leaves a spread for profit of 477 per cent. The Senate duty is 45 per cent ad valorem, which would still leave the importer 432 per cent profit to cover his overhead expenses.

Those people who are calling for an excess-profits tax I would ask, is not this profit sufficiently excessive to merit your serious consideration?

Here is a little watch, silver backed, I think. I do not know whether it is bought by the gross or by the piece. The foreign cost is a dollar, and it is retailed in this country for \$9.45. The spread, therefore, is \$8.45, and the profit, of course, would be 845 per cent. The Senate duty on that is high, 130 per cent. But after taking the 130 per cent from 845 per cent we are still leaving the importer 715 per cent, and that ought to satisfy him.

Here is a pair of lady's gloves. If we go to Chicago and New York we would find in all the large retail stores ladies taking signatures of other ladies to protest against the awful

imposition upon American women of a tariff upon these kid gloves. The foreign cost of this pair of kid gloves was 27½ cents. It seems to be a good pair of gloves. The retail price is \$2. There is a spread of \$1.72, or 627 per cent profit. I would be pleased to have the lady who takes the names of these women who are protesting present to those women a statement of the profit made by these stores, which import an article for 27½ cents and charge them \$2.

Mr. CALDER. What is the duty on them?

Mr. McCUMBER. The duty is 70 per cent, and that still leaves them 55 per cent profit.

Mr. TOWNSEND. It is 70 per cent on the importing price.

Mr. McCUMBER. Yes; 70 per cent on the importing price, of course.

Mr. CALDER. That is a duty of only 14 cents.

Mr. McCUMBER. We had considerable talk the other day about the imposition of this tariff duty upon the poor women who have to buy shears and scissors, and I confess that it was very touching; but here is something that will touch the pocketbook, and should, I think, carry as much weight as the arguments that were made at that time.

Here is a pair of shears that cost 15 cents abroad. I think it is good steel, but the price is 15 cents. That same pair of shears is retailed for \$2.65. The spread is \$2.50. The percentage of profit is 1,667 per cent. Let me ask those who are watching over the new-made grave and say that we lay the heavy hand of taxation upon the weeping widow and the sobbing child, does not this living profiteer, this man who makes 1,667 per cent, this daily profiteer who turns these shears over many times in the course of a year, present to you any field for a portion of a little revenue for the Government of the United States? The duty upon these shears is 20 cents a pair and 45 per cent ad valorem, and after deducting that duty we would still leave the importer 1,489 per cent profit.

Now, I have here a razor. This is not a cheap razor. I think this is a very good razor, one that sells for a good price, made of manganese steel. This razor was imported at a cost of 21 cents and it is a good razor. No one claims anything to the contrary. This razor which costs 21 cents was sold for \$5 over the counter. There was a spread of \$4.79. The duty upon it is 35 cents each and 15 per cent ad valorem. The spread is 2,281 per cent, and after taking off the duty the importer still has a profit of 2,064 per cent.

Mr. President, the Representative of the people who votes for every appropriation to spend money and against every tax to raise money, I know, may become very popular. I think he often is. But after all he is not a very useful Representative. We are appropriating about \$4,000,000,000 per year. We must raise the money to meet these appropriations. We must do it in the way that will least disturb the great business of the country and will be the least burdensome upon the people. Now, remembering that the money must be raised somewhere, can anyone imagine a shoulder better fitted to bear a little portion of this mighty burden than that of the importer who, after paying the duty, has 2,064 per cent to spare?

Mr. CARAWAY. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Arkansas?

Mr. McCUMBER. I can not yield. I have a number of other articles here to present.

Mr. President, here is a very interesting article. Married men know what it is. It is a curling iron. That was imported and I presume it was sold by the importer, who is the retailer, at what he considered to be a very low price. It was imported for 9.6 cents and it was sold for \$1.39. That left a spread of \$1.294. That in percentage was 1,348 per cent. The Senate committee duty upon that article is 40 per cent ad valorem, and that after deducting the duty leaves a balance of 1,308 per cent to cover overhead charges and profit.

We have here a thermos bottle, imported. I do not know whether it is good or bad. I know we used to have to pay during war times \$5 or \$6 for these bottles, but I understand the price has come down somewhat. At any rate, this thermos bottle passed the customhouse at New York for 10 cents. It retailed for 75 cents, and that is the most reasonable spread that I have seen. The spread is 65 cents. The spread in percentage is 650 per cent. The Senate committee duty is 20 cents each and 50 per cent ad valorem. That would leave a balance of 450 per cent after paying all the duties to cover the overhead expense of the importer and his profit.

Of course it will be understood that these articles were imported under the general law, but I have not given the rates under the present law. I am simply taking what it costs in the foreign country and then considering what profit there would still be left after the duty had been paid which we

propose in the pending bill. This would give them, as I said, 406 per cent on which to do business. That is not turned over once in the year for 406 per cent. It means that much on every turnover, and probably the capital is turned over a great many times in the course of a year.

Here is an English-made straw hat. They always make good articles there. This is a nobby little hat. It came in at the invoice price of 69 cents. It was purchased here for \$4. The spread, therefore, was \$3.31, but bear in mind it cost 69 cents and was sold for \$4. The spread in percentage is 479 per cent. The party importing that hat would have to pay 50 per cent ad valorem. Of course that would be 50 per cent of 69 cents, and that would still leave a balance of 429 per cent on which to do business.

Here is another very ordinary article. It is what I would call a lady's workbasket. It has the usual assortment of little articles inside. The foreign cost was \$1.29. It was purchased from the importer at \$7.54. That left a spread of \$6.25, and in percentage the spread was 498 per cent. The Senate committee duty is 50 per cent ad valorem, and that would leave the importer 448 per cent out of which to pay his overhead expenses and profit.

Here is a cane, a good cane, I think. It cost 16.8 cents. It is a good cane, although it cost only 16.8 cents. The New York gentleman who bought it paid \$1.50 for that cane which cost 16 cents. That left \$1.33 profit, or 792 per cent profit. The Senate committee would compel the importer to disgorge the awful sum of 40 per cent ad valorem, leaving him only 752 per cent, and he thinks he is imposed upon, and so he organizes this propaganda and calls upon the great press through which he advertises to destroy every American industry that he may have special benefits.

Here is one of the carving sets we were discussing the other day. I think it is a first-class set, with staghorn handles. I know it is first class because it cost \$1.86 abroad. It was imported as such. The retail price was \$15, which was paid for this set. That left \$13.14 profit. That meant a spread of 706 per cent. The Senate committee rate of duty is equivalent to 77 per cent ad valorem, which would give the importer a profit of 629 per cent after having paid the duty. I really believe he could still do business with that kind of a profit, and I further believe that he is not justified in organizing this mighty propaganda to protect him in his enormous profits from paying a little, a very small percentage of it, to take care of the amounts which we must appropriate so frequently in the Senate of the United States.

Here [exhibiting] is a very fine jackknife, an imported knife. While I think it contains but two or three blades and appliances, it is supposed to be the very best which is made. That jackknife came through our customs at a cost of 57 cents and 7 mills. It has a little gold stamp upon it. Bear in mind the price—57 cents 7 mills. It was purchased from the gentleman who imported it for \$8.40. That gave a spread of \$7.823, or a difference of 1,356 per cent.

Senators will remember that when we had the knife item before us we imposed upon knives what appeared to be an enormous rate of duty, and which undoubtedly is larger than any of the other duties in the schedule; we imposed upon such a knife as this a duty of 40 cents and 60 per cent ad valorem; but after paying that duty the seller would still have a balance of 1,127 per cent profit.

Mr. President, I have here [exhibiting] a very beautiful plate. This comes in by the piece. It is finely decorated and would be pleasing to the eye of any lady. It is a good plate. It came in at a price of 19 cents; but it was sold by the retailer at 98 cents. That left 79 cents profit and gave the retailer a profit of 411 per cent. The rate of duty in the Senate committee bill is 70 per cent ad valorem, which would still leave the retailer 341 per cent profit on which to do business. I again submit that I believe the retailer can do business upon that profit, and still pay this little sum to help pay the expenses of the American Government.

I do not know what this (exhibiting) is now called, but when I was a boy we would have called it a flapjack turner. I presume it goes under some more euphonious name at the present time, but anyway, it is used in the kitchen. I think it is made of aluminum, a subject which we discussed here some days ago. That article came in for 4 cents and 1 mill, but it retails for 16 cents. That gives a profit of 11.9 cents, or 285 per cent. The duty proposed by the Senate committee is 15 cents a pound and 60 per cent ad valorem, which, figured out, gives an equivalent of 71 per cent. That leaves a balance on which to do business of 214 per cent. That, I believe, Mr. President, is the least percentage we have found in this list.

Here [exhibiting] is another article on which there is not so much profit made, but it is a beautiful article. It is made by the cheap labor of Czechoslovakia. It is a very beautiful wool blanket, probably one of the most expensive makes. That came in at considerable valuation, its cost being \$19.40 at the customhouse, but it was retailed here for \$65. That gave a profit of \$45.60, or a spread of 275 per cent. In the bill as reported by the Senate committee the duty is 40 cents a pound and 40 per cent ad valorem, and reduced to an equivalent ad valorem it would be 46 per cent. After deducting the 46 per cent the importer would still have 189 per cent profit on which to do business.

Here [exhibiting] is another article, the delight of many a man. It is a briar pipe, undoubtedly one of the best made. It comes in at a big price. It is a fancy article.

Mr. STERLING. Where is it made?

Mr. McCUMBER. It is made in England. It comes in at a cost of \$4.32.

Mr. WILLIS. It is too much.

Mr. McCUMBER. I know it is too much, but the dude who bought it paid \$25 for the same article. That also is too much. That made a spread of \$20.68 or 479 per cent profit. In the bill as reported by the committee the duty upon that briar pipe is 60 per cent ad valorem; and after paying that 60 per cent ad valorem there would still be left a profit of 419 per cent. How many times it is turned over, I am not prepared to say.

Mr. President, I shall finish up with this little article [exhibiting] which is now used, I think, in practically every American home where there is electric lighting. It is an ordinary electric smoothing iron or flatiron. Ladies know what price they pay here for it; but it came into this country—and it is a good iron; it is not a cheap article—for 59 cents, as the invoice shows, and the duty was paid upon 59 cents. It retailed for \$5.50. So the spread between the invoice price and the retail price was \$4.91, which left the poor importer only 832 per cent to cover his profit and overhead expenses. The duty as reported by the Senate committee upon that article is 50 per cent ad valorem and 10 cents per pound, I think; at any rate, it amounts in all to 60 per cent ad valorem, and it will still leave the seller 772 per cent profit.

Mr. President, the argument I have been making has not been made to justify any particular line of prices; it has been made solely to answer the propaganda of the press against the pending tariff bill, which propaganda is conducted by the press simply at the behest and because of the influence of the great importing houses of the country. There is not a single duty imposed by the pending bill but could be paid many times over by the importer without adding one penny to the sale price of the article to the American public and still allow a fairly good profit.

I repeat, we have got to raise money to run this Government; we can not run it on wind. So long as we vote appropriations we have got to impose some kind of a tax on some one to provide every dollar of our appropriations. After Senators consider this list let me ask, in all fairness and justice, do they know of any place on earth where we could levy a tax with less injustice than upon the enormous profits made by the importers?

Mr. UNDERWOOD. Mr. President, I have listened with great interest to the new argument that comes from the protection camp. In all my experience in Congress this is the first time that I ever heard an argument to sustain the principle of protection made on such a basis as that advanced by the Senator from North Dakota.

I wish to review for a moment the position which the chairman of the Finance Committee has taken. He comes before the Senate not to attack his opponents upon this side of the Chamber; not to attack those who believe in a theory of levying taxes at the customhouse, which differs from his theory, but to bring an indictment against the press of the country; not the Democratic press, but the Republican press of the United States, charging them with a venal offense; that notwithstanding their papers have maintained the principles of the Republican Party, notwithstanding they have stood in the past for the principle of protection as advocated and maintained by the Republican Party, they have sold their columns—yes, more, that they have sold their editorial columns—for the price of advertisements from the great department stores of the metropolitan cities; that they have become venal and corrupt, abandoned the principles they have advocated in the past, and abandoned the principles of the party to which they have held allegiance in the past, because through their advertising columns their editorial columns have been purchased by the profits of the great department stores of America.

Mr. President, that is a most remarkable argument, a most remarkable position for the leader of the Republican Party on the floor of the Senate to take against the press of his own party, and yet that is all there is in the argument. That is the basis of the argument. That is the purpose of the speech to which we have just listened—an indictment of the Republican press of the country.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Nebraska?

Mr. UNDERWOOD. I do.

Mr. NORRIS. I should like to ask the Senator from Alabama if this wonderful address of the Senator from North Dakota—and I think it is wonderful—had been made at the time the Senate had before it the bill repealing the excess-profits tax, whether in his judgment it would have been deemed then a sufficient reason for the defeat of the bill repealing the excess-profits tax?

Mr. UNDERWOOD. If that represented the profits of the country, undoubtedly; but I hardly think the Senate would have tried all the people of the United States on the indictment that the Senator from North Dakota brings against the department stores. I rather think, as has been suggested in debate, that if this remarkable statement to which we have just listened is true, it is a question for the Department of Justice rather than for excise tax or customs tax. I am sorry that the Senator has not put into the RECORD the names of those who would profiteer on the American people, as he gives us his word as a Senator that some firms have done. The best indictment that could be brought against them would be to have their names published in the CONGRESSIONAL RECORD and let the scorn of public opinion produce the result, not in the interest of increased cost but in the interest of the American people, by letting them know the fact of profiteering, if it is a fact, as asserted by the Senator from North Dakota.

Mr. CARAWAY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Arkansas?

Mr. UNDERWOOD. I yield.

Mr. CARAWAY. I simply want to call attention to the fact that on October 6 of last year the Senator from North Dakota contended in a speech, as appears on page 6078 of the RECORD, that the big concerns paid no excess-profits tax; that they were not making over 8 per cent; and now he stands here and indicts them for making 2,000 and 2,500 per cent. In other words, when he wanted to relieve them of taxes he said they did not make over 8 per cent, and now, when he wants to indict the Republican papers for telling the truth about his tariff bill, the same Senator, on the same floor, standing at the same desk, says that these concerns that he then said were making only 8 per cent were making 2,500 per cent. I should like to have him tell the North Dakota farmers who have gone into bankruptcy just how it was that when you wanted to relieve a concern of an excess-profits tax it was not making more than 8 per cent, but when you want to load an additional tax upon the consumers the importers are making 2,500 per cent.

Mr. UNDERWOOD. As the Senator from Arkansas says, the position the Senator from North Dakota has taken this afternoon is truly a reversal of form.

Mr. President, I was very much impressed by the opening remarks of the Senator from North Dakota. In his appeal to the country, in his appeal to the protectionists of the United States, he said that he wanted the great manufacturing industries of America to understand that this was their fight, not his fight; that this was their fight, not the fight of the Republican Party. He wanted the labor of the United States to understand that this was their fight, not his fight; that this was labor's fight, not the fight of the Republican Party. And yet what is the inevitable conclusion, if his statement is true and truly represents conditions in his bill? And I do not say that it is true, Mr. President. I know—and I do not charge it against the Senator from North Dakota—that there is a fake proposition in this statement. We are not given the name of the man who investigated the cost at the customhouse, nor are we given the name of the firm that sold to the purchaser these articles; but I want to try this case on the Senator's own theory.

The Senator appeals to the manufacturing interests of the United States and to labor in the United States on the ground that this is their fight. And then what does he prove, if his statements are correct in this matter? He first shows us a cuckoo clock, of which he says the cost abroad, the importing price, was 94 cents, and that it was sold in New York for \$22, making a profit, so the Senator asserts, of 2,240 per cent—2,240 per cent on this cuckoo clock—and he says that he is going to

protect the American manufacturer and American labor against a profit of 2,240 per cent by levying a duty of 50 per cent, which would leave a profit in excess of what he proposes to levy, if his story is correct, of 2,190 per cent.

If this Republican bill is not a fake, not a fraud, not a pretense against the American people, and the story of the leader of the Republican Party to which we have just listened is true, what appeal have you got left for the American manufacturer of clocks in the United States when you prove, according to the exhibits you bring before the Senate, that there is a profit to the importer of 2,240 per cent, and you attempt to protect the domestic industry with a 50 per cent duty—a 50 per cent duty—and appeal to labor on the ground that this is their fight? If that is true, Mr. President, the Senator from North Dakota and his committee are perpetrating a fraud on labor.

Let me say incidentally, however, that the annual production of clocks in the United States amounts to something like \$230,000,000, and that the greatest importation of clocks during the last two or three years amounts to about \$500,000, and that we are exporting in the neighborhood of \$4,800,000 worth of clocks to foreign markets in competition with the world. With a manufacture of clocks in the United States of \$233,000,000 and imports of about half a million dollars, the total imports are only a little over two-tenths of 1 per cent, and yet, Mr. President, the Senator from North Dakota has come before the Senate and the country giving an exhibit of what is typical in the competition of the clock industry in foreign countries with that of the home manufacturers, and contends that there is an opportunity to make a profit of over 2,200 per cent.

Why, Mr. President, if that opportunity lay here in the business, if there is no catch in this matter, if this is an honest presentation of the real difference in the cost of production abroad and production at home, are not the American people sufficiently informed to know that if there were a profit of 2,200 per cent in favor of the importation of clocks from abroad the American market would be flooded with foreign clocks instead of the amount of imports coming in being only about two-tenths of 1 per cent?

Mr. SIMMONS. Mr. President, I hope the Senator will not forget that the argument advanced from the beginning in support of the rates in this bill was that the American producer was being threatened with destruction on account of the low prices of foreign products and not on account of the high prices of foreign products.

Mr. UNDERWOOD. As sold in America, undoubtedly. But, Mr. President, the Senator said when he started out that he had taken the officers of the Treasury Department into his confidence and ordered them to find these facts; that he wanted to show how much profit these horrible department stores were making; and now I suppose these gentlemen, having been ordered by the highest authority in the Republican Party to go out and make a case, picked the cheapest clock they could find for importation and bought it at the store where they found that it was sold for the highest price.

Of course, I do not really expect the American public to believe that the illustrations made by the Senator are typical of American purchases abroad and American sales at home.

The Senator has exhibited a number of very attractive articles. I shall not refer to them at all. He shows us a pair of gloves, the import price of which he says is 27 cents, and he states that they retail for \$2. He says himself that that gives a retail profit of 627 per cent, and he is levying a duty of only 70 per cent on them.

I have in the past gone to Gloversville, N. Y., to speak. The Senator has appealed to the labor of the country, and I suppose that was intended as an appeal to the labor of Gloversville, where a large portion of the profits growing out of these increased taxes will ultimately land; but I want to know how much of an appeal can come from the Republican Party as to protection of American labor, when the chairman of the Finance Committee stands on this floor and, speaking of an article of common use, such as gloves, says that there is a profit to the importer in this country of 627 per cent, and he is giving a protection of only 70 per cent. How does such an argument appeal to labor? You say you are going to protect American labor against foreign importations, and then you show that on a simple pair of kid gloves the profit to the importer is 627 per cent.

Mr. CALDER. Will the Senator yield?

Mr. UNDERWOOD. Certainly.

Mr. CALDER. If I calculate the duty correctly, the duty under the Underwood Act on this pair of gloves is something like 21 cents, while the 70 per cent provided in this bill would be only 18 cents.

Mr. UNDERWOOD. I am not talking about how much it is; I am talking about the figures the Senator from North Dakota gave. The Senator from New York need not try to convince me that the chairman of the Finance Committee has been wrong in his side show this afternoon. I am sure of that myself. I agree with the Senator about that. I am simply carrying the argument of the Senator from North Dakota to its final conclusions on his own basis. I know perfectly well that his figures are not correct. I know it just as well as does the Senator from New York.

Mr. McCUMBER. May I ask the Senator what figures are not correct? I am not in the habit of presenting fictitious figures.

Mr. UNDERWOOD. I say that these figures are not representative of the imports which come into America; that these are selected articles, which do not reflect the general conditions of the trade. That is what I mean.

Mr. McCUMBER. Let me say to the Senator that that is an entirely different matter from stating that I presented figures which were not correct.

Mr. UNDERWOOD. I hope the Senator will allow me to proceed; I did not interrupt him.

Mr. McCUMBER. I have known the Senator too long to believe that he wanted to make a statement that was incorrect, and I thought he would yield to have it corrected.

Mr. UNDERWOOD. Certainly; but let me correct it first. I said some 15 minutes ago that I knew these things were not correct, but I discharged the Senator from North Dakota of any misrepresentation in reference to the matter. The Senator knows perfectly well that I am not making any personal charge against him. I know that these men whom he sent out to get these figures reported to him just as he has read them to the Senate. I do not question that.

Mr. McCUMBER. I think the Senator does not understand how they were obtained.

Mr. UNDERWOOD. Oh, yes; I listened to the Senator, and I know how they were obtained.

Mr. McCUMBER. The Senator assumes something that is entirely wrong, but if he does not desire to have it corrected of course I will not do it now.

Mr. UNDERWOOD. I know perfectly well that the Senator has truthfully stated the facts as they were brought to him, but I know just as well that if his committee believed that there was a profit of 627 per cent to the retail importer of gloves they would not bring in a protective tariff of 70 per cent and say that that protected American industry. The Senator knows, as well as I do, that that particular pair of gloves is not representative of the general line of imports which come into the United States. He knows I mean that, and he knows that is true. If I was discourteous to the Senator a moment ago, I ask him to forgive me; I did not intend to be so.

Mr. McCUMBER. I simply wanted the Senator to understand the basis on which these figures were obtained. I believe the Senator thinks we first went to the customs officers. That is not the way it was done. The goods were first purchased. I do not think somebody was looking for a special bargain; I never heard of that. The goods were purchased, and then identified by the customs appraisers. So there could be no question about it.

Mr. UNDERWOOD. I understand that. These men were sent out to find an indictment against the department stores, they brought the indictment to the table of the Senator from North Dakota, and he has presented it here; but I know that this is not a representative article, and I will tell the Senator why I know it. I will not call the name of the principal witness who appeared before his committee in reference to gloves, a very able gentleman, a very distinguished gentleman. I had the pleasure of serving with him in the House of Representatives for many years.

I have heard him testify before the Ways and Means Committee of the House, and he is the leader in the manufacture of gloves in the United States. He did not represent in his testimony before the committee that there was any such difference in profits between the imported glove and the domestic article as 627 per cent, and he is content with the tax the Senator from North Dakota has given him in this bill of 70 per cent, because the Senator from North Dakota gave him the tax he asked for. I know, when that is the case, the performance this evening does not represent truly American import conditions, and I am sure the Senator from North Dakota will not contend that it does.

Let us go on a little further. The Senator showed us a pair of shears, on which he said the retail profit was 1,667 per cent, with a duty of 20 cents a pair and 45 per cent ad valorem added, making a total duty as levied in the bill the Senator has before the Senate of 178 per cent. In other words, if his state-

ment is correct and the import price of this pair of shears, reflected into the profits of the seller in New York, amounts to 1,667 per cent, and the Senator gives a duty of 178 per cent to offset that, where is the American manufacturer of shears, how is American labor taken care of, if the statement of the Senator from North Dakota represents the true conditions in that line, when he proposes to leave to the importer a profit of 1,189 per cent, as he said he would?

Mr. EDGE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from New Jersey?

Mr. UNDERWOOD. I do.

Mr. EDGE. The Senator will certainly admit, however, that the increased duty proposed in the pending bill does come that much nearer protection than the duty under the Underwood law.

Mr. UNDERWOOD. Of course, if the story were true—

Mr. EDGE. And the pending bill likewise provides for certain discretionary powers on the part of the Chief Executive when these great differences occur.

Mr. UNDERWOOD. The Senator met my argument before I got to it. He reached the conclusion before I could; but I am glad the distinguished Senator from New Jersey admits what we are coming to, and I shall speak to that in a minute. I am glad he confesses on the record what this bill will do to the American people, if the story told by the Senator from North Dakota this afternoon is correct.

Mr. EDGE. Mr. President, I cheerfully admit, with great satisfaction and pleasure, if the Senator will yield for a moment, that the proposal in the pending bill, from my viewpoint, at least, provides the only possible method through which we can scientifically reach the tremendous differences which now exist between the cost of production abroad and the cost of production here, and if under the law which bears the name of the distinguished Senator from Alabama importers can make such tremendous profits, certainly under the pending bill, if it becomes a law, those profits will be substantially reduced.

Mr. UNDERWOOD. I thank the Senator for this testimony. Now, just allow me to mention a few more items, and we will go to that point.

Mr. POMERENE. May I suggest to the Senator that if these extraordinary profits could be made in the way which has been related to us to-day, the imports into this country would have been very largely in excess of what they in fact have been.

Mr. UNDERWOOD. Of course, that is true; but I am not testifying for the Senator from North Dakota. I am not accepting his conclusions. In fact, I am sure he is entirely wrong. But we are trying the case now on the testimony that has been laid before the court this afternoon, and that is all I am trying to work out.

Mr. WALSH of Montana. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Montana?

Mr. UNDERWOOD. I yield.

Mr. WALSH of Montana. I would like to test the importance of these figures by referring to the matter of production and imports of a few of the items. I will refer to just one, because I do not want to take the time of the Senator.

Electric-light bulbs are included in the articles with reference to which the importers are making such enormous profits. I find that of electric-light bulbs in 1919 we produced \$59,372,000 worth. We imported in 1920 less than \$500,000 worth, and in 1921 we imported less than one-half of that amount—not to exceed \$250,000 worth—while we exported \$4,000,000 worth.

Mr. UNDERWOOD. Of course, the statement of the Senator from Montana demonstrates beyond question that if these enormous profits were a fact and not a theory, the American market would have been overflowed with electric-light bulbs, whereas the imports were negligible.

Let us take the question of the razor, which the Senator said was a really good razor. I do not know whether the shears were good or not, but he said the razor is a good one. He said the import price was 21 cents, and that it sold for \$5. He stated that the duty levied in this bill was 30 cents and 35 per cent ad valorem, which left a profit to the importer of 1,500 per cent above the protection levied in the bill.

The Senator exhibited a thermos bottle, about a 30-cent bottle. I will not go into that, because anybody who looked at the bottle saw conclusively that it was made out of paper and would not last long.

Let us take up the question of the hat the Senator showed—a very good-looking hat. I do not know how it would wear, but it looked all right across the Chamber. He said that it was imported at 69 cents and that the retail price was \$4, leaving a profit to the importer of \$3.31, or 479 per cent, against which

the Senator proposed to protect American manufacturers and American labor by levying a tax of 50 per cent.

Now, just think of it! The Senator from North Dakota carries the flag of protection. He stands here the embodiment of all that the protection system means, and yet he comes on the floor of the Senate and confesses that he has evidence to show that to the importers of straw hats there is a profit of 479 per cent, and he is going to protect these people against the pauper labor of Europe by levying a 50 per cent tax. Is it not just awful, Mr. President, to think how the Senator from North Dakota has surrendered the great trust which has been imposed upon him to protect the American laborer against the pauper labor of Europe, and given to the importer of goods made by pauper labor an advantage of 479 per cent over the American-made article. Why, Mr. President, it is outrageous to think of it from a protection standpoint.

Mr. GOODING. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Idaho?

Mr. UNDERWOOD. I yield.

Mr. GOODING. Of course, the Senator understands that there are provisions in the bill by which the President can put on the American valuation an increase of duties to the extent of 50 per cent. In such cases as these, may I ask the Senator, should not the President put on the American valuation and protect American industry? And is not that the purpose of that provision of the bill?

Mr. UNDERWOOD. I will ask the Senator, instead of answering his question, whether he thinks the President in a case like this ought to do that?

Mr. GOODING. Most assuredly I think he should. If I had my way I would have the American valuation in the bill to start with, and I would protect without bothering the President at all. Again, I will say to the Senator that if we had the American-valuation plan the imports, which show up now as negligible or nothing at all, would be very high of these particular articles from the foreign countries.

Mr. UNDERWOOD. The Senator is a real protectionist.

Mr. GOODING. Yes; I am.

Mr. UNDERWOOD. He believes in that principle—

Mr. GOODING. All the way through.

Mr. UNDERWOOD. And he is not afraid to say so. That is the man I like to see, the man who when he has a principle stands for it. I thank the Senator for his testimony in this matter, because that is what I am coming to. I wanted some sustaining testimony. I have already had the testimony of the Senator from New Jersey [Mr. EDGE] and now I have testimony from a real protectionist, whose protectionism nobody can doubt.

Mr. GOODING. I will say to the Senator from Alabama that if it were not for the provision in the bill which gives the President the right to put on the American valuation all he says would be true, but the fact that it is there causes his argument to fall to the ground. That is why the provision is in the bill. Again let me say to the Senator that there will be no trouble about the names of these importing department stores before we get through with this debate. This is only a part of the show.

Mr. UNDERWOOD. I thank the Senator for his testimony. My recollection is that the Senator said the other day that agriculture in this bill was protected at an average rate of 21 per cent. Am I correct about that?

Mr. GOODING. Yes; 21½ per cent.

Mr. UNDERWOOD. Twenty-one and one-half per cent.

Mr. GOODING. And I also stated that the Underwood-Simmons law gave the manufacturers of the country a protection of 24½ per cent, and on some of the articles shown this afternoon the Underwood-Simmons law gave a duty of 60 per cent and 55 per cent.

Mr. UNDERWOOD. I thank the Senator for testifying to the reasonableness of the rates in the existing law.

Mr. GOODING. I ask the Senator when he is going to take up the schedule of rates that he has put on the manufacturers, and let them down?

Mr. UNDERWOOD. I thank the Senator for calling my attention to the very moderate rates in the present law compared to where he wants to put them. But let me finish my canvass of the illustrations we had this afternoon, and then I shall not detain the Senate very much longer, because I want to point out a conclusion.

We were shown a very beautiful carving set, of which the Senator from North Dakota said the import price was \$1.80, and that it was sold by the importer at \$15, leaving him a profit of \$13.14, or a spread of 706 per cent. The Senator from North Dakota says that he intends to protect the American

manufacturer and American laborer against that 706 per cent of profit of the importer by a duty of 77 per cent. Just think of it. With a profit on carving sets to the importer of 706 per cent, the Senator is going to do his duty by a protective tariff to the American laborer by levying a tax of 77 per cent.

On a jackknife which cost 5.73 cents and which sold for \$8.40 by the importer, the importer got a spread or a percentage profit of 1,357 per cent. The Senator from North Dakota protests against that enormous profit by levying a duty of 40 cents and 60 per cent ad valorem, or 229 per cent. Then he carried us into the household as to plates and showed us a plate that cost 19 cents and sold for 98 cents, and he said that was one of the lowest percentages that the importer got out of these articles. In that case the importer got 411 per cent, and the Senator is levying a duty of only 70 per cent against those articles to protect against the importer's profit of 411 per cent.

Now, Mr. President, the Senator from North Dakota is either wrong or right about the proposition that these enormous profits are being made. These specific figures are not the only protection that he gives in the bill. The Senator from New Jersey and the Senator from Idaho anticipated what I was leading to. The Senator from North Dakota and his committee have placed a provision in the administrative features of the bill authorizing the President of the United States to ascertain the difference in competitive value—I am not using the exact language, but that is the meaning of it—which I will interpret to be the difference in cost value, and then to increase the tax as much as 50 per cent. So if the articles which the Senator from North Dakota has brought before the Senate are truly illustrative of import conditions in the United States the American public can take it from the argument of the Senator from North Dakota that the taxes which are going to be levied against them on imported articles are not going to be what are stated in the bill, but that under the administrative provisions of the bill the President of the United States will be compelled to increase by 50 per cent each tax that is levied. In other words, to the tax on jackknives, which now is 229 per cent, the President will be compelled to add 114½ per cent more to the tax carried in the bill.

So the American people, in estimating the kind of a bill under which they are going to be taxed, must at least increase this class of taxes 50 per cent above what they are to-day proposed to be made. The Senator from Idaho and the Senator from New Jersey agree with me that that is the condition which we must face. If that is so, and these enormous profits have been made, I think the Senator from North Dakota was very modest in his inroads on the pocketbooks of the American people when he limited the power of the President to increase the tax by Executive order to not more than 50 per cent.

Now, to come right down to the question, this exhibit is nothing new to me. I have seen the same kind of an exhibit made before the taxing committee of the House. It has been brought before the taxing committee of the House on almost every tariff bill that has been written in recent years. It is the old form in which the protected monopoly proceeds to make its argument. Of course, there are department stores which are making enormous profits on certain articles and which also sell other articles at very reasonable prices. It would not be difficult for anyone who would take the time and the energy to follow through some particular article of import that can be palmed off on the American people who do not know and show an enormous difference in cost.

This form of exhibit is nothing of to-day or of this hour or of this year. It was done repeatedly before the Ways and Means Committee of the House when I was a member of that committee. I have had men come to my office and make this same kind of an exhibit with the same class of articles as displayed in the show we have had before the Senate this afternoon. I have no doubt, as to the particular articles which were brought before me or which the chairman of the Finance Committee brings before us this afternoon, that they can prove the fact. But they do not represent American industry; they do not represent general conditions abroad nor general conditions at home. It is just one of these side-show plays that do not represent the actual conditions.

There are two things which prove that my statement is absolutely true. First, in all these lines the American market has not been flooded by this class of imports, which flood undoubtedly would take place if it were so profitable to bring them in. Second, because the representatives of the great manufacturers of America come before the committees time after time asking protection, and they always ask for more than they expect to get. They ask the limit and never ask any rates approximating what the exhibit of the Senator from

North Dakota this afternoon would indicate were the profits of the importer. In truth and in conclusion let me say—

Mr. CARAWAY. Mr. President, may I interrupt the Senator?

Mr. UNDERWOOD. Certainly.

Mr. CARAWAY. If that exhibition and exhibit—I refer to both—represents the real difference in cost of manufacture abroad and in the United States, then in order to protect the American industry against extinction by the importation of foreign-made goods we would have to raise the cost of living on an average about 2,000 per cent, would we not?

Mr. UNDERWOOD. Undoubtedly.

Mr. CARAWAY. On a pair of shoes, for instance, that cost \$10 now, the price would have to go to \$200, if that is true.

Mr. LENROOT. Will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Wisconsin?

Mr. UNDERWOOD. I yield.

Mr. LENROOT. If it is true that the importers are exacting these enormous profits, how would the imposition of such a duty raise the cost of living?

Mr. UNDERWOOD. Mr. President—

Mr. CARAWAY. May I answer that question, Mr. President.

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Arkansas?

Mr. UNDERWOOD. I yield.

Mr. CARAWAY. I merely wish to suggest that if the tariff does not raise the price of the article, it does not protect anybody. If a thousand per cent duty be placed on an article of American make and the seller should be forced to sell it at the same price for which he was previously selling it, he would get no benefit of protection, would he?

Mr. UNDERWOOD. No.

Mr. CARAWAY. Of course he would not, and the Senator from Wisconsin [Mr. LENROOT] knows that.

Mr. UNDERWOOD. The Senator from Wisconsin read the statement of the Senator from Arkansas backward. The Senator from Arkansas said that if such a condition existed—of course it does not exist; the Senator from Wisconsin knows it does not exist, and I know it does not exist—

Mr. CARAWAY. Everybody knows it does not exist.

Mr. UNDERWOOD. But that if it did exist, and the American manufacturer was threatened with that kind of competition, and we had to raise the rates of duty to equalize the difference, it would make a pair of shoes cost \$200; that that would be the case under such circumstances; but, of course, the circumstances do not exist.

Mr. President, I did not intend this afternoon to be harshly critical. I challenged the statement of the Senator from North Dakota not as to his veracity or his earnestness or his honesty, but I challenged it as to the facts, because I know that the facts are not representative of the import conditions or conditions of the American market. However, I do not blame the Senator for coming to the defense of the bill. It is time for him to come to its defense. He has been indicted by the press of his party from coast to coast because of the indefensible rates contained in the bill and the burden of taxation that was about to be placed on the American public. He has sat in silence and accepted the condemnation for weeks and weeks, and I had expected long before this that the Senator from North Dakota would accept the challenge of the newspapers of his own party and reply to them. If he does not reply to them satisfactorily, of necessity he will be condemned, so far as this bill is concerned, in the eyes of the American public. It is but natural, therefore, for the Senator from North Dakota to reply.

However, I wish to say to the Senator from North Dakota that he must bring before the Senate a real defense, a defense that goes to the real conditions, and he must not expect the American public or the American newspapers to relinquish their present line of argument and present understanding of this bill because of a showing as to a few articles concerning which abnormal conditions prevail, an exhibition that might do credit to a side show in Barnum's Circus. The illustrations brought forward by the Senator are too unusual and too unnatural to stand as his defense before the American public.

Mr. McCUMBER. Mr. President, the Senator from Alabama has always been so fair in his presentation of questions before the Senate that I confess I am surprised, I am amazed, I may say, to find the Senator now departing so far from his usual custom in the presentation of his side of the case. It is a surprise to me to listen to the Senator from Alabama, who is an expert upon tariff legislation, arguing before the Senate that, because we have demonstrated the existences of a retail price of several thousand per cent profit, we should impose a duty to protect against such a retail price. Again and again in this debate has the Senator from Alabama asserted that instead of

imposing a rate of 50 per cent upon a hat or 70 per cent upon scissors or whatever the article might be, if my argument were correct, I should have proposed to levy a duty of as many per cent as would equalize the difference between the importing price and the retail selling price of the article.

The Senator knows that is an unfair statement. The Senator knows that a protective tariff duty is not to protect the retail price, but is to protect the American manufacturer. The American manufacturer sells his product at wholesale, sometimes to the jobber and sometimes to the merchant, who may be the retailer, but in all instances, if there is to be a protective duty, the duty should measure the difference between the landing cost of the foreign article in the American market and the selling price of the manufactured article by the manufacturer in the American market.

Mr. POMERENE. Mr. President—

Mr. McCUMBER. I will yield in a moment. If, therefore, a 50 per cent duty or a 70 per cent ad valorem duty is sufficient to measure the difference between the importing price and the selling price of the comparable American article by the American manufacturer, then 60 or 70 per cent ad valorem should be the rate of duty. No one has ever dreamed, however, of suggesting a duty, either directly or through the intervention of the President, under the special provisions of the bill, that would meet the difference between the importing price and what any retailer sought to charge the American public. The retail price may be 2,000 per cent higher, as has been shown, in some instances, and yet the American producing price of the comparable article may be only 70 per cent higher.

By the exhibits which I have produced, and the illustrations I have given, I have merely sought to show that the American importers who are also retailers are making such enormous profits—of course, I did not refer to the manufacturers' profits but the retailers' profits—that they could absorb the little tax upon the imported article many times over without in the slightest degree affecting their prosperity. I now yield to the Senator from Ohio.

Mr. POMERENE. Mr. President, I confess my surprise at the argument used by my friend, the Senator from North Dakota. He has referred to the profits which have been derived by the retailers selling imported articles. It is true they have derived great profits, but the retailers can just as well make exorbitant profits out of articles manufactured in this country. The Senator's argument, therefore, must lead to the conclusion that it is the retailer and not the importer who has been offending against the country.

Mr. McCUMBER. No matter what he makes, I have given the facts, and the facts are that the articles to which I referred were imported at the prices quoted and they were sold by the importer at the enormous advances indicated. The only object I had in view was to show that the spread between the importing price and the selling price of the importer, who is also the retailer, is sufficient to take care of the tax without passing that tax on to the American consumer, and to demonstrate my belief that the consumer would not bear it, although the importers are evidently holding up the consumer for everything they can get out of him, irrespective of price. I have not attempted to analyze their overhead charges; I know they are more or less great; but, nevertheless, after paying them, they will have still a sufficient profit to meet the tariff duty. I do not want the duty to represent the profit which is finally derived from the sale of the article by the retailer; I want the duty to represent as nearly as possible the difference in the landing cost of the imported article and the manufacturing cost of the American manufacturer. The Senator from Alabama must admit, I think, that it is unfair to charge or to assume that I would impose a tariff sufficiently high to meet the two or three thousand per cent which is made by the retailer, who also is an importer.

Mr. UNDERWOOD. Mr. President, if the Senator will allow me, of course, I did not charge the Senator with that. I merely took the Senator's argument and endeavored to show where it would lead. Of course, I assume, as every other man must assume, that if the condition as to prices portrayed by the Senator were true, and if it had anything to do with the tariff, it was because the American manufacturer could not meet those prices, and that if the importers could sell at such enormous profits indicated by the Senator, of course they could control the American market and that the rates proposed by the bill would not protect the American manufacturer. I was merely drawing a conclusion from the Senator's own statement.

Of course, I know perfectly well, without controverting a single statement made by the Senator as to the articles which the Senator put in evidence, that those articles are not representative of the competitive conditions prevailing as between

this country and foreign countries, and I said that I was simply making my argument on the basis that the Senator said the importer had that much profit, and, of course, if he did and you were going to protect against that much profit to the importer you would have to put up the rate to meet it.

Mr. McCUMBER. Of course, if we made our rates measure the retail selling price, we would have to do that; but we would not be protecting the American manufacturer. We would simply be placing an embargo upon imports, because if we put at any time on any article a tariff that represented the difference between the cost of the foreign article and the retail price in the United States not a single article could be imported into the United States, and no one would for a moment think of an argument of that kind.

But, Mr. President, the Senator is mistaken in saying that these are not representative articles. That is a representative hat—an ordinary hat—bought down here in the spring of the year for from four to five dollars, perhaps reduced in September to a dollar. That hat cost 69 cents. It was sold for \$4, and it is a representative hat. Probably the American manufacturer can make that hat for a dollar and a quarter or a dollar and a half. If he could make it for a dollar and a quarter, then his 50 per cent ad valorem would take care of it. That has nothing to do with the retailer.

Mr. UNDERWOOD. Of course, that looks like a hat that people ordinarily wear, and in that respect it is representative. What I contended was that the conditions of its purchase and its sale were not representative. Of course, I know that that is a hat; but the Senator has finally admitted himself out of his own case, because he says that the immense spread of profit that he asked the Senate to believe in an hour or two ago does not exist. Of course, I know what he is coming to, and what is the fact—that these retailers and wholesalers have taken out their profits along the line, and that the cost of selling is very great; and when you come down to analyze this great spread which the Senator represented as going to the importer you will not find that it is there. It is absorbed by the wholesaler's profit if it is a wholesaler, and in the case of the retailer by the cost of running the business. As I said, what the Senator represented as a spread on these articles of profit when you come to the last analysis does not exist, because if it did exist, as I have argued from the Senator's own statement, if there were any such profit existing to the American importer, this country would be flooded with imports, and the Senator knows that as well as I do.

Mr. McCUMBER. Mr. President, if there were a profit to the importer without making the sales at retail, the Senator is correct in saying that this country would be flooded with imports as soon as the articles could be manufactured in the foreign countries; but the Senator still avoids the real point and the real purpose of presenting everything that I have presented to-day.

I do not argue myself out of court when I say that the spread between the manufacture of a like article in the United States and this article does not amount to two or three or five or six hundred per cent, or two thousand per cent, whatever is the difference between that and the retail price. That is not the purpose of the presentation of this case at all. We are giving a protection that will approximately take care of the manufacturer of this hat. If we think that 70 per cent ad valorem upon the foreign value will take care of the manufacturer, that is all we should give him; but that has nothing to do with the question whether or not the department store, which is itself an importer and sells this hat at a spread of five or six hundred per cent, can afford to pay the 70 per cent ad valorem tax, if it be a tax at all.

Mr. UNDERWOOD. Mr. President, that comes right down to the point at which we want to arrive. Of course, I knew it came there. I do not think the spread between the importing cost and the cost of manufacture of that hat or the average hat at home or abroad amounts to 70 per cent, but the Senator does, because he says himself he has fixed 70 per cent to cover that difference.

Mr. McCUMBER. The spread is more than that, but I will not go into that now.

Mr. UNDERWOOD. Well, that is what the Senator thought would cover the difference. That is what he put before the country as a proper protection, and he is a protectionist, and he put that there to show that he was covering the difference in cost. He now says that the profit on that hat, according to my recollection, was 600 per cent, and yet that a tariff of 70 per cent will cover it.

Mr. McCUMBER. No; I am not talking about the retailer's profit.

Mr. UNDERWOOD. If the Senator will let me proceed a minute, then the difference in the competitive point between the American article and the foreign article is only 70 per cent. The Senator has said that these retail stores make 600 per cent, or, at least, had a 600 per cent profit without taking out the cost.

Then, Mr. President, it is merely a question that has nothing to do with imports. It clearly demonstrates that that increased price is absorbed somewhere, or that somebody is profiteering.

If it is absorbed in the ordinary cost of running these stores—their clerks, their rent, and so on, except reasonable profit—there is nobody to complain. If they are profiteering above the 70 per cent on foreign goods, you can rest assured that they are profiteering above that per cent on the American goods; and that is not a question of tariff at all, or of tariff tax, or of paying the tax, because the importer and the storekeeper do not pay it. They make the American public pay it; and then it is a question of the Department of Justice bringing an indictment against somebody, because the store is not going to pay the tax. The store takes it out of the man or the woman who buys the goods from its shelves.

Mr. McCUMBER. Mr. President, the Senator still avoids the whole trend and purpose of this argument.

Mr. UNDERWOOD. I must say, then, that I have not seen it. If I have avoided it, I have not seen it.

Mr. McCUMBER. Let me make it so clear that a child can understand it, and then I hope the Senator will not go off on that tangent again.

Here is the great press of the country, representing the great department stores who purchase its advertising space. The department stores are both importers and retailers of the same article. They are the ones, through this press, that are condemning this tariff as being an imposition upon them and saying that it will require them to raise their prices to the consumer. That is a clear statement that anyone ought to understand. I seek to meet that by showing that, taking their present selling prices and the profits they make over and above their importing prices, they can absorb the 50 or 60 or 70 per cent and it will scarcely be a drop in the bucket compared with the spread between the importing prices and their retail prices.

I have not discussed in this matter for one moment what was necessary to protect the manufacturer. The duty which will protect him we will put upon the product as nearly as we can. We do not need always to make it just as large as the difference. He lives here at home. This is his country. He has his agents over the country. He can respond quickly to an order. That gives him some advantage, and a considerable advantage, as a rule, over his competitor. Therefore, I would not give him in any case an amount that would actually measure the difference between the foreign importing price and his selling price. I do not think it is necessary. I would make it less at all times.

Let us just leave the matter of protection to the manufacturer out of consideration in this connection, because I have not touched upon it. I have simply demonstrated by these exhibits that the duty which we have laid upon these goods can be absorbed several times over and still leave this importing retailer a sufficient profit without adding the duty to the cost to the public.

Mr. UNDERWOOD. Does the Senator really think that? I am sure he must if he says so, but he has not given us any figures to show the cost of sales by the retailer. He has not brought any figures here. He showed us some very large profits between the import price and the selling price, but he has not shown any figures as to how that is absorbed.

Mr. McCUMBER. No; I have not, Mr. President.

Mr. UNDERWOOD. The Senator is merely assuming that that is the case.

Mr. McCUMBER. Yes; I am.

Mr. UNDERWOOD. And, because the Republican press has turned on the Senator's bill, he wants to turn the wrath of the American people upon the Republican press and the department stores. I think the Senator has not made out his case.

Mr. McCUMBER. Mr. President, the press of which the Senator speaks has always been against protection since the advent of the great department stores and their mighty influence through the medium of their advertising. They may be Republican on everything else, but when it comes to a tariff bill the papers of which the Senator speaks have always advocated the interest of the importer. I do not care what you call them, but those are the facts.

Mr. CARAWAY. Mr. President, may I interrupt the Senator?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Arkansas?

Mr. McCUMBER. Yes.

Mr. CARAWAY. If you can corrupt a paper, say, like the New York Tribune, by giving it advertising, you could buy it with money straight out, probably, could you not?

Mr. McCUMBER. That is what the Senator says; I have not said that.

Mr. CARAWAY. What does the Senator from North Dakota say?

Mr. McCUMBER. I have not said that.

Mr. CARAWAY. If a man will sell out for advertising, would he not sell out for cash?

Mr. McCUMBER. I have not said that at all.

Mr. CARAWAY. What did the Senator mean to say when he said these people were controlled and influenced by the great department stores? Did he mean to say that they were selling their editorials?

Mr. McCUMBER. Mr. President, the Senator from Arkansas has views entirely different from mine.

Mr. CARAWAY. Not about honesty, I hope.

Mr. McCUMBER. He represents the views of his constituents.

Mr. CARAWAY. Let me ask the Senator a question.

Mr. McCUMBER. I have no doubt but that his views are colored more or less by the sentiments of the people who daily surround him in his home State. I would not say that, because his views were thus influenced and thus colored by his surroundings, he was not acting honestly.

Mr. CARAWAY. Just a moment. The Senator is getting away from the question. Did I not understand the Senator to say that these papers were controlled by the advertisements which appeared in their pages?

Mr. McCUMBER. Mr. President, the Senator heard what I said.

Mr. CARAWAY. Does the Senator—

Mr. McCUMBER. It may be that the Senator thinks he is before a justice of the peace, and that I am put on trial. I assure him that I shall not put myself in that position, though it may be decidedly pleasing to the Senator. Let him ask me a straight question, and he will get an answer.

Mr. CARAWAY. Is it always—

The PRESIDING OFFICER. The Senator from North Dakota has the floor.

Mr. CARAWAY. He did not object to my asking a question. Nobody is doing that but the Chair.

The PRESIDING OFFICER. The Senator has a right to talk in his own time, and no two Senators shall talk at the same time while the present occupant is in the chair. The Senator from North Dakota has the floor.

Mr. CARAWAY. The Senator from North Dakota yielded to me.

Mr. McCUMBER. I will yield for any question the Senator asks, but I decline to be catechized in that manner.

Mr. CARAWAY. If the Senator does not want to answer a question yes or no, he has a perfect right to refuse. I had thought, however, that some way or another he wanted to bring in an indictment, and both of us having practiced law, we usually say just what we mean as to what a man has done. I understood the Senator to say that these great papers had sold out merely to get advertising. I do not say he used that language, but it was that in effect.

Mr. McCUMBER. I yielded for a question. I wish the Senator would ask it, and if I think it is a proper question I will answer it.

Mr. CARAWAY. Was that what the Senator meant to charge?

Mr. McCUMBER. I decline to answer it, because I do not think it is a proper question. I have stated that these papers were influenced, very naturally, by the great importing houses that use their columns. That is their work. They are in close connection with it. I do not mean that they could be bought for money any more than I would say that the Senator could be so bought because he is influenced by his Democratic surroundings and because he arrives at conclusions which are entirely different from mine. I do not think the Senate floor is the proper forum in which to charge criminality of that kind against anyone.

I have presented the facts. I think the facts which I have presented are well authenticated, and that the Senator from Alabama [Mr. UNDERWOOD] is mistaken when he says that these are a few articles and they are not representative. Every article was bought in the open market at these stores, and the prices I cited were the prices at which they were sold that day. Not a single one of them was purchased upon a red-letter day, but only in the ordinary course of purchases. I think they are representative, and I think I have established the one fact I

sought to establish, namely, that these importing houses, which are also retailers, and which are the ones crying out the most loudly against this bill, can well afford, with these profits, to take care of the little tax we have levied against them.

Mr. WALSH of Montana. Mr. President, I offer the following resolution, and ask that it be read at the desk.

The PRESIDING OFFICER. It will be read.

The resolution (S. Res. 306) was read, as follows:

Whereas it has been charged upon the floor of the Senate, supported by figures descending into particulars and evidenced by documents, that importers are making unconscionable profits on many articles made abroad and sold in American markets, amounting in some cases to upwards of 2,000 per cent; and

Whereas most—or, at least, many—of such articles are imported and sold by various individuals and corporations supposed to be competing against each other for the trade in such articles; and

Whereas it is evident that the exorbitant prices at which such commodities are sold, as shown by evidence submitted to the Senate, if they generally prevail could be exacted or maintained only if a combination exists among such importers in violation of the Sherman Antitrust Act: Be it

Resolved, That the Attorney General of the United States be, and he hereby is, directed to advise the Senate whether such conspiracy does in fact exist and what steps have been taken or are to be taken to bring the participants therein to justice.

Mr. WALSH of Montana. I ask unanimous consent for the present consideration of the resolution.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. McCUMBER. I am not satisfied with the whereases of the resolution. If the Senator wants an investigation as to whether these goods are sold abroad for the prices I have mentioned, I most heartily welcome the investigation.

Mr. WALSH of Montana. I shall be very glad to have that investigation made.

Mr. McCUMBER. But I shall not be a party to assuming that there is any conspiracy upon the part of the sellers of these articles, or the importers, and therefore I ask that the resolution may go over. If it be made to conform to an examination into the real facts, facts which have been stated here, I shall most earnestly support it.

The PRESIDING OFFICER. Objection is made to the present consideration of the resolution, and it will go over.

Mr. GOODING. Mr. President, the articles exhibited here this afternoon tell the story, in my judgment, of a World War, of a world out of adjustment, of depreciated currency, of labor in some countries receiving practically nothing at all, and time and again evidence has been submitted in the Senate to prove that fact.

Only to-day I met a pioneer from my State in my office, who but a short time ago returned from Germany, and he told me the story of men working there in factories for 20 cents a day, and in pretty nearly every line of industry. I have submitted here on two different occasions facts as to the employment of men in the trades in Germany for 70 cents a day, on the average, men engaged in the principal trades followed in America.

I think we can understand that the goods which have been shown here this afternoon can not be produced when the world is at normal for the prices which have been stated here this afternoon. There is no question of the need of the American valuation, which this bill provides as the basis for figuring the duties, so that this country and the industries represented in these particular goods can be protected.

I have an editorial here from a Democratic paper, the Fort Worth Star-Telegram, which I send to the desk and ask to have read. It tells the story of a debate upon the floor of the Senate between the Senator from North Carolina [Mr. SIMMONS] and the Senator from Utah [Mr. SMOOT], and it so well tells the story of depreciated currency and what it means in the purchase of goods on the gold basis, that I want it in the Record. I ask to have the editorial read.

There being no objection, the editorial was read, as follows:

A SAMPLE OF DEMOCRATIC LEADERSHIP.

Senator SIMMONS, of North Carolina, the other day supplied the country with a striking illustration of the kind of leadership the Democrats have to depend upon in the United States Senate.

The tariff bill was being discussed, and Senator SIMMONS was endeavoring to show that the German manufacturer to-day has no advantage over the American manufacturer in the matter of cheap labor. And here is the way he went about it:

"Everybody who knows anything about the matter," he said, "knows that the exchange value of the mark—and that is the value upon which our purchases from Germany are based—is entirely different from the purchasing power of the mark in Germany; that is to say, a mark has one value in international trade and has an entirely different value in the German market. It has a purchasing power in the German market which it has not in the world at large by reason of the reduction of the paper currency in Germany to the gold standard that obtains in international trade."

"The wages paid the German laborer in marks to-day will buy for him as much, or nearly as much, of the necessities of life as the wages paid in American factories will buy. I heard the testimony given before the Finance Committee in the general hearings. The mark has one purchasing power in Germany, but it has a different purchasing power

in the markets of the world. The Germans have some confidence in their mark, while we have none and the world has none."

Now, let it be understood that Senator SIMMONS was citing this to show that the German manufacturer has no advantage over the American manufacturer. It proves the very opposite, of course, but by some mysterious process of reasoning Senator SIMMONS arrived at the conclusion that it proved that it cost quite as much to manufacture goods in Germany as it costs in the United States.

Senator SMOOT, of Utah, took full advantage of the curious lapse of the Senator from North Carolina. He called particular attention to Senator SIMMONS's utterance, and said:

"I hope the Senate will now remember the statement which has just been made by the Senator from North Carolina, because I am going to call his attention to it a good many times in the future if this question shall then come up. The position of the Senator now is in exact accord with what I have stated on the floor of the Senate several times. Because of the exchange situation to which the Senator has referred, the German laborer, with the purchasing power of the mark in Germany greater than it is outside, has that much advantage over the American laborer, while the American dollar does not have any greater purchasing power in purchasing labor or any other commodities in the United States than it has abroad. The Senator from North Carolina simply makes his case that much worse by the statement which he has just made."

This is a fact, of course. There is one commodity which a German mark can buy no more of in Germany than it can buy elsewhere, and that commodity is gold. And that's because gold is the world's standard of value. And any currency convertible into gold on any basis has the same advantages in Germany that the mark has. Senator SIMMONS says that the German mark will buy more in Germany than it will buy outside of Germany. In other words, it will buy more German goods than it will buy of American goods. That's only another way of saying that the German goods are cheaper. And what is true of the mark is certainly true of the dollar, is it not? The dollar will buy more German goods than it will buy of American goods. Does that not give the German manufacturer an advantage over the American manufacturer in the American market?

We thought that "everybody who knows anything about the matter" knew that until the ranking Democratic member of the Senate Finance Committee, the leader of the Democratic Party on the question of the tariff in the Senate, disclosed that he does not know it.

Mr. SIMMONS. Mr. President, I had intended to indulge in some remarks this afternoon in reply to the argument of the Senator from North Dakota [Mr. McCUMBER]. I shall not do so because of the lateness of the hour, but shall content myself with probably doing so later on. All I desire to say this afternoon is that, in my humble judgment, the Senator from North Dakota, in the speech he made this afternoon, has argued both himself and his bill out of court.

The Senator complains bitterly of the way in which the newspapers of the country, especially independent and Republican newspapers, have assailed his bill. With the new light which the Senator from North Dakota has thrown upon the bill, I am satisfied that many more Republican papers in the future than in the past will deal with the Senator's bill like those papers of which he has complained. I am likewise satisfied that many Republicans other than those who have heretofore repudiated his bill will, as a result of his utterances upon the floor this afternoon, be added to the number of critics and opponents of the bill.

If the Senator is right in his contention this afternoon, then the bill affords no remedy whatsoever for the conditions which he says exist, and nothing, Mr. President—absolutely nothing—will afford the remedy which the Senator says he desires and is seeking except a universal embargo.

Mr. President, I regret very much that I have not, on account of the lateness of the hour, and without unnecessarily wearying the Senate, an opportunity to enter upon a discussion of the speech of the Senator from North Dakota.

Mr. GOODING. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Idaho?

Mr. SIMMONS. I yield.

Mr. GOODING. I thought the Senator had concluded. I merely wish to say, with reference to the exhibits offered this afternoon by the Senator from North Dakota, that every transaction and every step in the work will be given to the Senate. There will be nothing left unsaid or undone to give the country the whole truth—every particle of it—all the way through. I think the country is entitled to it. I think the people are entitled to know who the importers are, who the retailers are, and everything else in connection with the exhibits which were made here this afternoon and which will be made in the future.

Mr. SIMMONS. If the Senator from Idaho has concluded, I will say that the information which the Senate is now getting from the other side of the Chamber and the information which the Senator from Idaho promises in the future was not forthcoming until we smoked them out by exposing their bill.

Mr. McCUMBER. I ask unanimous consent that when the Senate closes its session on this calendar day it shall recess until to-morrow morning at 11 o'clock.

The PRESIDING OFFICER. Without objection, it is so ordered.

MISSOURI RIVER BRIDGE.

The PRESIDING OFFICER. The Chair lays before the Senate a bill from the House of Representatives.

The bill (H. R. 11827) granting the consent of Congress to the county courts of Howard and Saline Counties, in the State of Missouri, to construct a bridge across the Missouri River, was read twice by its title and referred to the Committee on Commerce.

Mr. JONES of Washington. I have from the Committee on Commerce a favorable report on an identical bill, and I desire to report back the House bill just referred and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. UNDERWOOD. I should like to ask if the bill is in the usual form?

Mr. JONES of Washington. It is in the usual form.

There being no objection, the bill was considered as in Committee of the Whole, and it was read as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the county courts of Howard and Saline Counties, in the State of Missouri, to construct, maintain, and operate a bridge and approaches thereto across the Missouri River at a point suitable to the interests of navigation at or near the city of Glasgow, in the county of Howard, and State of Missouri, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

Sec. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

RECESS.

Mr. McCUMBER. I move that the Senate take a recess, the recess being under the order just made, until to-morrow at 11 o'clock.

The motion was agreed to; and (at 6 o'clock and 5 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Thursday, June 15, 1922, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, June 14, 1922.

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O our bountiful Father in heaven we offer our tribute of thanksgiving, for we are blest and kept in Thy love. We ascribe unto Thee, O Lord, dominion, honor, and glory. Throughout our country diminish the causes of crime, vice, and poverty. Everywhere dispel the mists of folly and presumption and teach men that righteousness, justice, and obedience to law exalteth a nation. Convert into noble effects all the forces of our beings. May the din of desire or the pressure of affairs never be able to drown our soul's appeal, which is to know God, whom to know is life eternal. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

BRIDGE ACROSS THE MISSOURI RIVER, IN HOWARD COUNTY, MO.

Mr. PATTERSON of Missouri. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 11827) granting the consent of Congress to the county courts of Howard and Saline Counties, in the State of Missouri, to construct a bridge across the Missouri River, which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the county courts of Howard and Saline Counties, in the State of Missouri, to construct, maintain, and operate a bridge and approaches thereto across the Missouri River at a point suitable to the interests of navigation at or near the city of Glasgow, in the county of Saline, and State of Missouri, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

Sec. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

In line 8, page 1, strike out the word "Saline" and insert in lieu thereof the word "Howard."

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, what is the pressing necessity for considering this bill to-day rather than on the call of the Unanimous Consent Calendar on Monday next?